EUROPE'S BUSINESS NEWSPAPER

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World News

Panama closes consulates in US

Panama said it had closed its consulates in the US due to what it called a campaign of bribery, harrassment and hostility by the

US State Department.

Meanwhile Panamanian military leader Manuel Antonio Notice a demanded major concessions from the US, apart from dropping drug abuse charges against him, in exchange for his possible resignation.

Channel blockade ends The blockade of ports on both sides of the Channel between England and France ended as UK seamen admitted a major set-back in their ferry dispute. Page

Chinese jet hijack

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Two men who used fake hand-grenades to hijack a Chinese Boeing 737 left the aircraft and asked for political asylum after it landed at a military base in Taiwan. The aircraft, which had been intercepted by Taiwanese military jets, returnd to China. Rarlier report, Page 4

Cuban 'threat'

Angolan peace negotiations could be endangered by an alleged new build-up of Cuban troops in southern Angola, South African Foreign Minister Pik Botha warned. Page 4

Rome-Bonn pact

Italy and West Germany. announced plans to increase defence co-operation and study possible joint military operations. Page 2

PLO challenged

King Hussein of Jordan chal-lenged the Palestine Liberation Organisation to take responsibil-ity for solving the Middle East

Officials sacked Vietnam sacked three deputy

prime ministers whose job was to solve chrunic economic problems and widespread food shortages.

Israeli aircraft attacked Palestin-

ian targets in the Druze held Shouf mountains south-east of Generals absolved

The Argentine Supreme Court

absolved two senior army officers of responsibility for human rights violations, apparently yielding to political pressure from the Government. Page 6

Colombian pipeline hit

Left-wing guerrillas who last week kidnapped 15 foreigners and Colombian journalists blew up part of Colombia's main oil mipeline, halting pumping, state oil company Ecopetrol said.

Beirut truce holds

A Syrian-Iranian agreement resulted in joint supervision of a truce in Beirut after six days of inter-Shia conflict between the rival Amal and Hizbollah fighters in Beirut's southewrn slums.

AIDS virus theory Research by US scientists indi-cated the AIDS virus probably hid in bone marrow where all new blood cells were formed.

Greek heat alert

The Greek Government announced measures including a broadcasting campaign and air conditioning in hospitals and ambulances to prevent a repeti-tion of problems last summer when a heatwave killed 1,000 peo-

Right is wrong for UK

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A Spanish call for Britain to switch to driving on the right was dismissed by British socialists in the European Parliament who said it would cost billions of pounds (dollars) to alter the UK

Business Summary US company

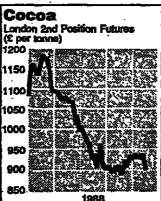
wins \$700m **BAe Airbus** contract

BRITISH AEROSPACE placed contract expected to be worth \$700m to Textron Aerostructures, US aerospace company based in Nashville, Tennessee, for the building of wing parts associated with the development of the Airbus A-330 and A-340. Page 22 GUINNESS, UK drinks group, is facing a potential claim by

chairman, of between £2m the Intermediate-range Nuclear (\$3.8m) and £3m for his alleged wrongful dismissal Page 29 the said that Lt Gen Colin Pow-COCOA prices fell further on the

Ernest Saunders, its former

liquidation of long positions, chart-inspired selling and new short selling following the entry



into the market on Wednesday by Cameroun, Nigeria and Malaysia. The three-month position closed at £901 a tonne. Page 34

TOKYO: After a weak start small-lot buying helped Tokyo turn higher again as the bond market made a late rally and brokerage houses moved in to pick up stock. The Nikkei average ended 51.53 points higher at 27.212.58 Page 46

WALL STREET: The Dow Jones industrial average closed up 2.15 at 1,968.00. Page 46

LONDON: A cautious start fol lowing Wednesday's sharp fall, but London regained its nerve and the FT-SE 100 index added 15.5 to 1,772.3. Page 42

\$1.8830, It closed in London at \$1.8850 (\$1.8870); DM3.1650 (unchanged); Y234.25 (Y234.50); SFr2.6300 (unchanged); FFr10.7350 (FFr10.7375). Page 35

HEWLETT-PACKARD, major US vendor of office computer systems, and Northern Telecom of Canada have formed a joint development and marketing organisation for company-wide data and voice network systems.

US FEDERAL RESERVE chairman Alan Greenspan urged cau-tion in moves to reform the regulation of financial markets in the aftermath of the October stock

market collanse.

IMPERIAL Chemical Industries,

COMPANHIA VALE do Rio Doce, Brazil's higgest mining company which is excluded from international capital markets until the country reaches a foreign debt settlement, is to launch \$300m in

debentures next month. Page 26 RANCO Santander, big Spanish private bank, is poised to buy a 30 per cent stake in Italy's 11th-largest commercial bank, Istituto Bancarlo Italiano. Page 24

ISRAEL CHEMICALS, stateowned chemicals holding company, is seeking a share swap with leading American chemical groups, involving up to 49 per cent of its equity, Page 24

Shultz says hurdles cleared for arms treaty ratification

retary of State, said yesterday that he had reached "a completely satisfactory agreement" with Mr Eduard Shevardnadze, the Soviet Foreign Minister, on all issues blocking ratification of

ell, President Ronald Reagan's national security adviser, and Mr Maynard Glitman, the INF nego-tiator, were returning to Wash-ington last night with a report raised by the US Senate "care-fully and properly." The Senate decided on Monday

to postpone indefinitely its debate on INF ratification until it had received satisfactory answers from the Soviet Union on 10 issues. Mr Reagan wants to exchange instruments of ratifica-tion with Mr Gorbachev, the Soviet leader, when they meet in Moscow on May 29.

Mr Max Kampelman, the chief
US arms control negotiator and

Mr Viktor Karpov, who is responsible for arms control in the Senate.

Soviet Foreign Ministry, yester—
day signed and exchanged diplomatic notes on "futuristic" weapons which should meet the ardnadze said he had not expecwhich Mr Shultz said.

Mr Shultz said.

But there will be no agreement by then on the 50 per cent reduction in strategic nuclear missiles, which should meet the ardnadze said he had not expecwhich Mr Reagan and Mr Gorba-



covered by the INF treaty.

Mr Glitman and Gen Nikolai Cherbov, a senior Soviet arms control official, were due to sign a document dealing with nine

Senate's concern that missiles ted to be faced with such a

equipped with lasers should be panoply of new questions on INF covered by the INF treaty. viability of the treaty. The way was now open for an

"interesting, impressive" summit meeting with a great deal of other technical issues raised by accomplishments to be recorded Mr Shultz said.

US considers \$680m sale of bombers to Kuwait

BY NANCY DUNNE IN WASHINGTON

THE US Administration is expective costs of training, mainter friends," he said, "and there is ted to ask Congress to approve nance and parts.

THE US Administration is expective costs of training, mainter friends," he said, "and there is not much concern the F-18s DOLLAR closed in New York at tration has encountered repeated \$450m arms sale to Saudi Arabia problems in gaining approval for following news of the Saudi purfers, 7055. It closed in London at the sale of sophisticated militray chase of intermediate range mis-

ers – and of recent chreats heat, he saint sgainst it from Iran. Senator Dennis DeConcini, an The Kuwaiti request for the Arizona Democrat, has refused a testimony earlier this week by

Mr Richard Murphy, Assistant Secretary of State. So far the F-18 has been approved for sale only to Canada, Australia and Spain. The F-18 is the most advanced US fighter-bomber and is said to be compatible with other Kuwaiti equipment. Each aircraft is estimated to cost \$17m, not including

ted to ask Congress to approve nance and parts.

The proposed deal reflects the Navy aircraft capable of penetrating deep into Iranian terrority.

The proposed deal, worth about part of a general arms sales measure prohibits. The proposed deal reflects the Navy aircraft capable of penetrating deep into Iranian terrority.

The proposed deal, worth about part of a general arms sales of Schan, could prove controversial in Congress, where the Administration has encountered repeated trophlems in graphing supervised following pages of the Saudi part of the Saudi

FF15.7055. It closed in London at DM1.6790 (DM1.6775); Y124.25 (unchanged); SFr1.3955 (SFr1.3955); and FFr5.6950 (FF15.6900). Page 35 (FF15.6900). Page 35 (SFRI_ING closed in New York at \$1.8830. It closed in London at \$1.8830. (\$1.8870); DM3.1650

personal appeal by the US ambas-sador in Oman, to support the sale of Stinger anti-sircraft mis-sale of Stinger anti-sircraft misadvanced aircraft as revealed in personal appeal by the US ambas-

An aide to the senator, a sup-porter of Israel, said the proposed sale of aircraft to Kuwait would "The Kuwaitis are our good

already fallen into branian bands.

Congress has allowed the sale of 70 Stinger missiles to Bahrain, but it insisted on an unusual buy-back provision. Bahrain is required to keep the missiles under close security and sell back to the US those that have not be used by June next year.

siles to Oman out of concern that the weapons could fall into terrorist hands.

of 200 Bradley fighting vehicles and 4,460 TOW-2 missiles. He said that if Congress refused the Saudis would go elsewhere for their weapons as they did when the US refused to sell them F-15s. They bought British Tornadoes

Thatcher declines to endorse Lawson's rate policy

By Simon Holberton and Peter Riddeli in London

MRS MARGARET Thatcher, the British Prime Minister has apparently again shown unwillingness to endorse the current strategy of Mr Nigel Lawson, the Chancellor of the Exchequer.

of the Exchequer.

The Government's difficulties with the exchange rate were also underlined yesterday by the Bank of England, which said in its quarterly economic review that the present combination of a high exchange rate and lower interest rates did not represent an ideal response to current con-cerns and that a different balance

This was a clear indication that the Bank would prefer the exchange rate to be lower and interest rates higher. Its inability to achieve this outcome is of concern to the authorities, who have had to wait for the markets to allow them the move.

Meanwhile, in Parliament, Mrs Thatcher repeatedly declined the opportunity to endorse the views of Mr Lawson about exchange rate stability. However, unlike their public airing of differences two months ago, she refrained from stating her own approach. Mr Neil Kinnock, the opposition Labour leader, later accused Mrs Thatcher of "treachery" to Mr Lawson. He said her "ven-detta" was "very damaging for the British economy" by creating

uncertainty.

Earlier, Mr Lawson parried questions on exchange rate and interest rate policy. "It is a very foolish government that refrains from intervention in the foreign exchange markets in all circum-

Mr Kinnock pressed Mrs Mr Kinnock pressed Mrs
Thatcher to say whether she
agreed with Mr Lawson's view
that sterling should not appreciate further. She avoided the specific point, and instead praised
Mr Lawson's handling of the
economy – for combining low
inflation with "excellent" economic growth – and urging MPs
to look at "the total nicture." to look at "the total picture."

The exchanges, conducted with strained good humour, reflect the

unusual agreement to differ between Mrs Thatcher and Mr of view there was the consolation that Mrs Thatcher had not repeated her previous views and had followed Mr Lawson's prefer-ence for being careful about what is said publicly. In its bulletin, the Bank of England made it clear it believed

that exchange rate stability was subordinate to the aim of fighting nflation. Conditions in early

Continued on Page 22 Bulletin details, Page 10

Rocard offers no top posts to centre-right

As expected the Finance Ministry goes to Mr Pierre Beregovoy, who was Finance Minister in the Fabius Government of 1984-86. His appointment is likely to be well received in the markets and the financial sector and by the European Community.

In a cabinet otherwise mainly Jospin, who has just stepped down after suven years as First.

In a cabinet otherwise mainly Jospin, who has just stepped composed of leading figures from down after seven years as Fust the Socialist Party, the only significant innovation is the appointment to the Industry Ministry of Mr Roger Fauroux, former chairman of the Saint Gobain glass-making group and currently head of the prestigious cation Minister should also be From Minister should also be

early general elections, since the socialists and their allies are short of a parliamentary major-

Several leading centrist politi-cians have welcomed President François Mitterrand's desire to make overtures towards the cen-the tre, but they have explicitly refused to enter into any compact with the Socialist Government at this stage.

The two-day delay in forming the Government since the

THE FRENCH Government appointment of Mr Rocard as the freench government appointment of Mr Rocard is headed by Mr Michel Rocard contains few surprises and no major representatives of the centreright.

As expected the Finance Ministry goes to Mr Pierre Beregovoy, who was Finance Minister in the Fabius Government of 1984-86.

His appointment of Mr Rocard is prime Minister has been widely connected to the sudden emergence of a contest for the leader-ship of the Socialist Party machine. Mr Laurent Fabius, and try goes to Mr Pierre Mauroy, both of them former socialist Prume Ministers. are competing for the succession to Mr Lionel Jospin as First Sec-

Ecole Nationale d'Administra-Prime Minister, tion. Mr Mitterrand will chair the

The fact that Mr Rocard has failed substantially to enlarge his ermment this afternoon, and later this evening a caucus of the political base in the National this evening a caucus of the Assembly seems likely to force Socialist Party will attempt to settle the succession to Mr Jos-pin, to avoid a potentially damaging open vote in the plenary session of the directing committee of the party scheduled for tomor-

The contest symbolises the long-standing tensions between the old guard of the Socialist Party, represented by Mr Mauyroy, and the modernisers who wish to move it in the direction Continued on Page 22

Editorial Comment, Page 20

Indian troops prepare for assault in Punjab

BY JOHN ELLIOTT IN AMRITSAR

ing contingency plans to storm arrested early yesterday morning about 60-50 Sikh extremists in the with 29 other priests and activists Golden Temple of Amritsar when he tried to return to the within the next three or four shrine in violation of a four-day days. days. curfew in the walled
They will carry out the operasurrounds the temple.

face each other from sandbag and returned to the temple. inside and outside the temple to develop at the temple - the complex. The security forces Sikhs' most sacred shrine and a have guns trained on all corners hideout for extremists - since a of the temple courtyard and full-scale army assault was

Mr Jasbir Singh Rode, the

INDIA'S commandos are prepar- shrine's chief high priest, was

tion unless a way is found to
defuse the tension which has
built up around the ancient Punjab shrine since Monday, when a
The police were worried that Mr This move followed negotia-tions on Wednesday between the The police were wormed that Mr senior police officer was shot and Rode, who is trying to organise a

brick emplacements on rooftops This is the most tense situation sacred pool, and have orders to launched in 1984. Up to 1,000 peoshoot anyone with a gun.

There was sporadic shooting sparked widespread resentment yesterday when three people and anger among Sikhs and led were believed to have been killed to the assassination five months. inside the temple and a police- later of Mrs Indira Gandhi, then Prime Minister, by her Sikh secu-Continued on Page 22

THE DISCERNING PERSON'S GUIDE TO LONDON

the motley confusion, the vulgarity

of common life."

Rowntree rejects meeting with

use to discuss the possible takeover of Norddeutsche Faserwerke, West German fibres
producer, despite the blocking of
the acquisition two months ago
by West German Federal Cartel
Office, Page 24

ROWNTREE, the British-based ing since it swooped to take a 15
chocolate company facing a per cent stake in Rowntree a
fing since it swooped to take a 15
month ago.

Together with its existing 29.9
Together with its existing 29.9
Then, it said that it intended to be left with just over 50 per cent
imit its holding in the UK comof the shares in the new grouppany to 25 per cent and did not ing. Such a scheme would require

ests and Rowntree, creating a cent. new grouping with combined "W ests and kowhtree, treating a mew grouping with combined confectionery sales approaching of partnership," a spokesman for Suchard said yesterday. He added

refused the meeting on the

coffee group which holds just want to make a full hid within a the approval of Rowntree share-under 30 per cent of Rowntree's year. It was released from these holders. shares.

At the meeting Suchard its hid on April 24, and subseintended to suggest a merger quently increased its holding to
between its own chocolate interthe bid threshhold of 29.9 per

But Rowntree, unaware of that Suchard was now reviewing Suchard's detailed proposals, its options after the latest rebuil

Suchard's move is significant Suchard in return for Suchard's fact that Nestlé abstained from in that it is the first time it has confectionery business, believed buying more shares it now holds given any indication of its think- to account for half of its turn- some 15 per cent of the company.

barriers

Mr Peter St George, a director to justify it as being better for Rowntree shareholders than the Nestle's bid."

Suchard to discuss merger

Fair Trading is considering over. It would have sought the 24p down at 880p. This was in whether to refer Nestle's hid to approval of Rowntree's board for part attributable to increasing the Monopolies and Mergers a scheme whereby Rowntree fears that the bid will be referred shares would be issued to to the MMC, but also reflects the

of County NatWest, advisers to Nestlé, commented last night: "It sounds like a backdoor bid approach. The board would have

refused the meeting on the from Rowntree.

shares slumped below the 900½p ground that it was inappropriate

Suchard would have proposed to hold talks while the Office of what amounts to a reverse take the Nestlé bid, ending the day

-CONTENTS-

Unit Trests Weather

Companies. Companies . World Trade

Britain

10 43.45

HUNGARYS

for wide-ranging reforms, Page 22

PARTY MONOPOLY FACES CHALLENGE

Leader Janos Kadar must answer the insistent demand

East Europe: Ethnic Hungarians flee from Management: How ICI is breaking down the

Towards a Eurobank: Setting Europe's Editorial comment: Clearing the centre; the French cabinet Politics Today: Scotland has become a Tory-

free zone Lombard: Anthony Harris - Reflections on Lex The markets, Rowntree, BP, Royal Insur-

Santiago: Privatisation in Chile steaming

THE ART GALLERY "A relief and satisfaction in

Wrote the art historian, William Hazlitt of Colnaghi's. 14 Old Bond Street, W1 in 1824. For 200 years experts in and valuers of Old Masters, drawings, water colours, prints and sculptures.

More sanctuary than art gallery, the company has long been associated with discerning private collectors and many of the world's majo

Today Colnaghi continues to encourage the appreciation of art of true quality, recognising that it is collectable at many levels and values. How Mr Hazlitt would have appreciated

Le Meridien Hotel in Piccadilly. A genuine Old Master, now fully restored to its

Value? Priceless.

Expert in the culinary arts. Attention given to the finest details of service. A relief and satisfaction in the motley confusion.



21 PICCADILLY, LONDON WIN OBH TEL: 01-734 BOOO. TRAVEL COMPANION OF AIR FRANCE.

European car sales slide after 15-month bonanza

BY KEVIN DONE, MOTOR INDUSTRY CORRESPONDENT

CAR SALES in western Europe fell 3.2 per cent in April, the first monthly decline since January 1987 in the prolonged European markets firmly established itself in third including the Netherlands, Beltions to record levels in 1986 and levels

For the first four months of 1968 new car registrations were 6.2 per cent higher than a year earlier at 4.57m vehicles, but some leading car makers now expect sales in the whole of 1988 to fall short of last year's peak of close to 12.4m vehicles

According to industry estimates the rate of growth in sales slowed in March and in April as registrations fell to an estimated 1.18m units from 1.22m in the corresponding month a year earlier. Sales fell in April in three of the big volume markets, West Germany (-7.4 per cent), France (-1.0 per cent) and Spain (-5.1 per cent), while in Italy sales grew by only 2 per cent following a jump of 13.4 per cent in the first quar-

ter.
The UK remained a major exception among the big volume markets with sales in April jumping a further 8 per cent. Industry estimates show that

motor industry forecast from Data Resources (DRI), West Euro-

Fiat of Italy still holds a commanding lead at the top of the European car sales league with an estimated market share of 15.7

in April alone it captured a share of 15.4 per cent just edging Fiat into second place with 15.0 per

The biggest gain in sales has been achieved by Peugeot of France which increased its vol- last year.

Denmark, Norway and Ireland.

Industry forecasts suggest that the expected slow-down in sales in the four months to the end of this year will only be slight, but April compared with a market according to the latest world share of 11.9 per cent in the same

Data Resources (DRI), West European car sales will show a sharper decline next year of geot group, which includes around 5.4 per cent.

Fiat of Italy still holds a commanding lead at the top of the Current market leader, BMW manding lead at the top of the Current market leader, BMW manding lead at the top of the Current market leader, BMW manding lead at the top of the Current market leader, BMW manding lead at the top of the Current market leader, BMW manding lead at the top of the Current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the top of the current market leader, BMW manding lead at the current market leader market lea Japan.
Fiat increased its sales volume

an estimated market share of 15.7 per cent for the first four months of the year, but Volkswagen of West Germany, the leading European car group in 1987, is slowly closing the gap.

VW (including Audi and Seat) the European car market after the European car market after the first four months of the year, but in April alone it captured a share

127,000. Overall Japanese car makers have increased their sales so far this year by 7.3 per cent to market share of some 10.8 per cent, a marginal increase from

	Volume	% Change	Share (%) Jan/Apr 1988	Share (%) Jan/Apr1987
Total market Fiat (including Lancia	4,568,000	+6.2	100.0	100.6
& Alfa Romeo) Volkswagen (including	717,000	+10.1	15.7	15.1
Audi & Seat) Peugeot (including	652,000	+3.3	14.3	14.6
Citroen)	583,000	+ 14.0	12.8	11.9
Ford	515,000	+3.4	11.3	11.6
General Motors (Opel				
& Vauxhall)	486,000	+ 2.2	10.6	11.1
Renault	475,000	+4.2	10.4	10.6
West Germany	952,000	+0.5	20.8	22.0
italy	833,000	+11,4	18.2	17,4
United Kingdom	751,000	÷ 10.3	16.4	15.8
France	728.000	+ 5.9	15.9	15.9
Spain	348.000	+ 16.6	7.6	6.9

Jacques Delors: valuable

ust a "zone of free exchange" but

trade union ally

EC initiative on workers' rights

BY ROBERT TAYLOR IN STOCKHOLM

MR JACQUES DELORS, the European Commission's President, launched a social initiative for the EC yesterday when he spoke at the European Trade Union Confederation Conference in Stockholm. He intends to press three specific proposals at the European Heads of Government Summit in Hanover next month in the hope of stimulating their interest in developing a social dimension in the move towards a free internal market by 1992.

 The introduction of what he called a "minimum threshold of social rights" for workers to be negotiated between the European unions and employers.

 The right of every worker in the EC to permanent training based on a system of credits over • Changes in Community com-

pany law to develop worker participation in decision-making based on a series of options which will include the West German system of co-determination, factory committees as in France, Italy and Belgium and Swedishstyle collective bargaining.

The union delegates in Stock-holm regard Mr Delors as a valuable ally in the trade union efforts to gain greater influence as a lobbying force inside the EC. His sympathetic speech with its evident concern about Europe's reassure the Swedish Govern- environ high level of unemployment and his commitment to specific proposals for reform at Hanover won him wide acclaim among union

Warning on 1992 for Greece

By Andriana lerodiaconou in

must depend on more work. These home truths were deliv-red by Mr Leon Melas, 61, new

"an organised space" governed must be rewarded. But the one by commonly agreed rules that who fails cannot expect to be would ensure social and eco-saved through the intervention of nomic cohesion as well as equal-the state," Mr Melas stressed. ity of opportunity for all.

Admitting that so far efforts to pay should not be a "metaphysigive a social dimension to the EC cal concept, unrelated to the had produced "feeble results", he quality of the work produced". went on to say that he was con-vinced that the objective of 1992 for a radical reform of Greece's would not succeed unless it was substandard system of higher based upon co-operation with the education which "does nothing to European unions. Mr Delors also took the oppor- principles of life and work in an tunity of his visit to Stockholm to industrial or entrepreneurial

ment that its traditional commitment to political neutrality ation's outgoing president hailed would in no way injure future the two-year economic stabilisa-good relations between the EC tion programme introduced by num wide acciaim among union leaders.

The president argued that the movement to a single market by 1992 would not be achieved unless the EC created many more lobs and cut unemployment over the continuous converse in the cut of 1985, which has led to unless the EC created many more lobs and cut unemployment over the continuous converse in programme introduced by and Sweden. Sweden is Prime Greece's Socialist government at Minister. Mr Ingvar Carlsson, is the end of 1985, which has led to due to see Mr Delors in Brussels a recovery in private industrial next Monday during his Euro-investment. This registered an 18 pean tour, which is designed to per cent increase in 1987 relative leaves and surface and sur jobs and cut unemployment over explain Sweden's concern to to the previous year and is expecthe next few years. Mr Delors develop a positive attitude ted to go up by a further 62 per made it clear that he did not towards the EC.

THE NEW leaders of the Federation of Greek Industries, elected during yesterday's annual general assembly, have warned that Greece will not be able to rise to the challenge of the 1992 single European market unless industry stops relying on state subsidies and labour accepts that more pay

president of the federation's board of directors, and Mr Stellos Argyros, 43, new executive committee president. The two men will lead the federation in tandem, replacing Mr Theodore envisage the single market as president for the last six years. "The successful businessman

On the brighter side, the feder-

Tension high as Soviet troops begin Afghan pull-out

THE SOVIET Defence Ministry day.

newspaper said yesterday troops leaving Afghanistan were endangered by foreign supporters of roads. And we know very well the anti-Communist rebels who had brazenly stepped up weapons shipments and sent more advis-

Krasnaya Zvezda (Red Star) reported in a front-page dispatch from its military correspondents at Soviet headquarters in Kabul that an atmosphere of tension has been created around the withdrawal that begins on Sun-

that made in Afghanistan are on the forward edge of the unde-clared war. It is necessary to be prepared for the possibility of armed provocations

The newspaper said rebei activity has been stepped up in Kabul, Kandahar, Ghazni, Paktia and other provinces on the eve of the "Taking advantage of the pull-

from border areas of those regions in the depth of the coun-try, the opposition and its foreign patrons have sharply increased the number of caravans with weapons, delivering them not only at night now but also in the daytime," Krasnaya Zvezda

"In the military formations there has been a noticeable growth in the number of foreign military advisers, who organise joint actions by groups from dif-ferent Moslem parties," the news-

arations for withdrawal were lution brought a Marxist govern-nearly complete at the Kabul ment to power in the Moslem headquarters. The dispatch did nation. not make clear, however, how many would leave in the first

motorised rifle regiments, para-troopers, scouts and pilots, but gave no other details.

many would leave in the first march north or when the head-quarters base would be evacuated.

It said the first to leave will be motorised rifle regiments, para-

Karmal was replaced by Presisave no other details.

Afghanistan has been in the threes of civil war since April Union.

Romania refugees find sanctuary in Hungary

OVER the past three months a steady flow of people has turned up at the headquarters of the Reformed Church in Debrecen,

eastern Hungary. The pastors welcome them. Instead of delivering sermons about redemption, the staff at the church distribute food, clothes and money and, with the help of the Debrecen city council, try to find jobs for the newcomers. They are ethnic Hungarians,

Europe's largest minority, who live in Transylvania, northern Romania. "We have had enough," one young mother said. "At one young mother said. home, my child cannot learn Hungarian, so I have decided to seek permission to live in Hun-gary." In recent years, she said, pressure by the Romanian authorities to suppress the ethnic identity of the Hungarian and other minorities through forcible assimilation has increased. "I have left out of despair and sad-

Since January, several thousand ethnic Hungarians have crossed the border into Hungary. Some do so illegally, crossing by night the zold mezo, a large stretch of woody and grassy land which divides the two countries. Others arrive legally on Roma-nian passports, many of which are valid for only a few weeks. But they have all one thing in common: they do not want to

If I want to work, I cannot speak at one of the large Reformed my own language. I must speak churches in the east of the city. Romanian. The situation there, The church has been turned into apart from the food shortages, is a community centre and citizens'

Portugal. The goal: a constitution

to put Portugal on the road to

nist-driven seizures of banks, fac-

of private enterprise.

Above the clamour for social-

ism, democratic in the case of the socialists, imposed by the van-guard in the cased of the Commu-

nists, the objections of Christian Democrats and Popular Demo-crats (later renamed Social Dem-

Thus the constitution preached

state planning, production units

managed by workers' collectives,

collectivist agrarian reform and abolition of large estates with state aid to workers' collectives

and co-operatives, taxes promo-ting "egalitarian distribution of

wealth and income," state

"rationalisation of commercial

distribution circuits and control

And, stipulated in Article 290, laws revising the Constitution

shall not detract from the princi-

ple of collectivisation of the main

means of production, land and natural resources and abolition of monopolies and large estates. This constitution was revised

in 1982. Parliament, led by a coalition of Social Democrats and by law.

ocrats) were hardly heard.

Armed Forces.

Judy Dempsey looks at the plight of ethnic **Hungarians fleeing** from Transylvania

the border, the majority of the refugees arrive in this old, ele-gant Protestant town, the capital of eastern Hungary. Here they are processed by the local author-ities. Those who have no relatives are sent to a well-run hostel on the outskirts of the town where they are looked after for

The flow of refugees from one Socialist country into another is an extraordinary phenomonen and the Hungarian authorities are not quite sure how it will

Since the beginning of the year, over 8,000 ethnic Hungarians have sought permission to remain in Hungary. So far, 2,000 residence and work permits have been granted. The rest are

As the summer approaches, officials are expecting more people to remain in Hungary. Already 120,000 tourists from Romania have crossed into the country.

For the moment, many have found iobs in and around Debre-"Our culture is being cen. But others have gone to destroyed," one young man said. Budapest and eventually end up

ocialism. the Republic (then a general) and constitution's economic content, west Europe's most revolution- on abolishing the Revolutionary leaving this for the next revision

In the 1975 Constituent Ass

In the Assembly the driving parties and let the military run majority in Portuguese history, force was the hardline Commutheir fledgling democracy. Howard invited the Socialists – secnist party with only 16 per cent ever the Revolutionary Council and largest party – whom they

of seats but the disposition to was endorsed by the 1976 Consti- snubbed for months, to discuss

by the working classes.

THE TIME: 1975-76. The place: Christian Democrats concen-

ary constitution was passed by Council, a prickly reminder to the Constituent Assembly in many civilians of the brief hege-April 1978, a year after Commu-mony of naïve military in 1974-75.

tories and land were made law by bly election - Portugal's first the Revolutionary Council of the free election in 50 years - voters

make Portugal scarcely tolerant tution as a watchdog.

The walls are covered with posters and information about housing and jobs. On Friday evenousing and joos. On Friday evenings, the local factory managers turn up to interview job hunters. The managers even return on Sunday when the church is packed to hear "visiting" guests deliver the weekly sermon. Recently, a professor from the Hungarian Academy of Sciences delivered a half-hour lecture on the history of Transylvania, which many Hungarians regard as the cradle of Hungarian cul-

For the moment, the ethnic Hungarians are welcome. Every third Hungarian has a relative living in Transylvania which, until 1918, was part of Hungary, and they know the difficult economic conditions, the situation facing the ethnic minorities and ordinary Romanians under the iron rule of Mr Nicolae Ceau-

sescu, the Romanian president. But the Hungarian authorities are going to face problems. The Government recently granted a forint 300m (\$50m) resettlement fund to provide shelter, educa-tion and health for the refugees. It will not go far. They know that housing the new arrivals will strain the already serious hous-ing shortage and might stir ntment among those Hungarians who have been waiting years for a roof of their own. In the meantime, some of the newcomers are getting itchy feet. "I don't want to stay on in Hungary," one 19-year-old ethnic

Hungarian student said. "I want to go to the West."

In 1982 non-Communist politi-

leaving this for the next revision

grain or two of the pride they

Diana Smith reports on the consequences of decisions taken during the 1975 revolution

Lisbon faces reform of constitution

trated on reducing powers of cians clipped the wings of the intervention of the President of military but did not tackle the

ignored appeals to reject political July 1987 the first landslide

Article 80: Socio-economic organisation shall be

based on the principles of: A. Subordination of

power . . . C. collectivisation of the principal

resources . . . F. Intervention of the workers.

Article 83: All nationalisation measures carried

out since April 25 1974 are irreversible conquests

Article 85: 2. The State shall intervene temporarily

in the management of private firms to ensure the

common interest, and rights of the workers under

conditions determined by law. 3. Basic sectors in

which the activity of private firms and similar

Article 86: Economic activity and investment by

foreign individuals or companies shall be regulated

Change of Maltese ruling party Italy and W Germany plan defence links

bodies is prohibited shall be defined by law.

economic power to democratic political

means of production, land and natural

due in 1987.

constitutional reform

Debrecen Bucharest Yugoslavia Buigaria

country. "We are a small country of 10m. There are too many Hungarians scattered throughout the world. The ethnic Hungarians should remain here," a senior official from the Ministry of the Interior said.

But refugees who want to emi-grate to the West find their home." Romanian passports are useless travel documents. Although the first page of the passport says valid for travel in all countries," the second page has a large stamp which says, "for travel only in the socialist countries." No western embassy will grant a visa on that basis.

Nor will the Hungarian author itles grant immediate citizenship to the refugees which would enable them to cross to neigh bouring Austria or Sweden, the two countries which do not

But officials are trying to disto go to the West."

The official policy is that Hungary should not become a transit their families behind. "We now

Constitutional change needs

approval by two thirds of the 250

The PSD wants to excise arti-

cles promoting collectivisation

Portugal, share the urge to

reduce dogma. They have changed since 1976-82 and no lon-

ger preach sanctity of nationalis

ation – as long as moves to pri

vatise state property are vetted

by parliament and preferably, approved by two thirds of depu-

seats. The PSD's 148 seats are too few.

have an additional problem. We cannot just pick up the phone and ask our Romanian colleagues to grant passports to the families who stay behind. It is very diffi-cult," an official said. The Hungarian Red Cross is now involved in these delicate negotiations, but relations with Romania are far

"To tell you the truth, we don't know what will happen," a senior foreign policy expert said. "Now that we have started allowing the ethnic Hungarians to remain here, we cannot close the bor-

"Yet, since the Romanian authorities continue to suppress the Hungarian culture and its own people, we expect more and more people to come here. All we can hope for is that when the present Romanian leadership changes its policies or comes to an end, we might have normal relations and people might return

Turkish crackdown on Kurd rebels

SECURITY forces detained two suspected rebels and 33 civilian supporters in south-eastern Tur-key after a series of bloody attacks launched by the Marxist Kurdish Workers Party (PKK), Reuter reports from Ankara.

Twenty-five villagers were killed north of the Iraqi and Syrian borders last weekend by members of the PKK seeking autonomy for Turkey's estimated 8m Kurds and the eventual establishment of a Communist government in Ankara.

Security forces discovered 17 rebel cave hideouts in Mardin and Adiyaman provinces after the latest violence, which brought to more than 1,000 the number of people killed in the PKK's four-year-old campaign.

The overdue revision is creep-ing closer. The ruling Social tion, and erase the dogma, produ-Democrats (PSD) swallowed a cing a briefer, flexible constitu-Turkey has boosted security in The Socialists led by Mr Vitor the south-east, where about 200,000 soldiers, mainly conminded Governor of the Bank of scripts, are supported by paramilitary gendarmes and police trained in Western counterinsurgency techniques.

Most rebel attacks are in border areas, where the rugged terrain often hampers security forces. Guerrillas also operate 300 km (190 miles) to the north in eastern Anatolia.

Paraconstitutional laws, out-Informed sources say there are about 400 rebels inside Turkey side the constitution but impor-tant enough to require two thirds majorities, are key points of and more in Syria, Iraq and Iran.



Tass praises Philby's 'internationalist duty'

THE official Soviet news agency Tass yesterday halled British master spy Kim Philby as "a remarkable Soviet intelligence agent." Reuter reports from

In the first Kremlin confirmation that Philby had died, it described the one-time head of the Soviet department in Britain's intelligence service as a man "who had a high sense of his internationalist duty".

Tass said he died on Wednes-

day. His son John was reported yesterday to have left London on a Soviet airliner to attend his father's funeral in Moscow. Philby fled to Moscow in 1963 after 30 years working as a Soviet spy while serving as a British intelligence officer, diplomat and

that he held top Soviet awards, including an Order of Lenin, an Order of the Red Banner and an Order of the Great Fatherland War. The last was normally given to senior Soviet officers who fought in World War Two.

waged by Kim Philby, a man who future".

tionalist duty, began back in the 1930s and were against fascism,"

of the veteran Soviet intelligence agent, which was also broad in the geographic sense, was carried out on the territories of a number of European states as well as of countries of the Middle and Near

The obituary also confirmed that Philby, who was 76 and married to a Soviet woman, contin-ued to work for Soviet intelligence after arriving in Moscow in

"Having carried out a new mis-sion, Kim Philby came to Moscow where he continued the work that had become for him the ter journalist. meaning and purpose of his The Tass obituary confirmed entire life," it said.

fails to pay economic dividends

of prices.

MALTA'S Christian Democratic government of Premier Dr Eddie Fenech Adami yesterday celethe obituary said. brated its first year in power "The multifaceted heroic work without the island's daunting economic and political problems showing any significant sign of

Dulled by stagnated exports devalue. growth and a tepid flow of for- As a reand whip up export receipts remains urgent, Malta's economic performance annomic perfo

Politically the island remains imports was summarily cut short acutely polarised. Many, particu-larly within the ruling Nationalmeaning and purpose of his entire life," it said.

Some reports in recent years have said he was a general in the construction of successive outside the domestic market employing anything from 4,000 to 7,000 people. The flotation of successive outside the domestic market employing anything from 4,000 to 7,000 people. The flotation of successive outside the domestic market employing anything from 4,000 to 7,000 people. KGB, but the obituary made no during the past 12 months. reference to his rank. Tass said Attempts to dismantle the ecoar. The last was normally given that "as an internationalist, nomic, social and political framework installed by the previous ught in World War Two.

"The long years of secret war riches, and believed in its happy out its uninterrupted 16-year rule have been few and feeble.

BY GODFREY GRIMA IN VALLETTA

Central to Malta's exporting problems remains an overvalued currency which the new government shows no inclination to

As a result export growth stal-led. The island's respected Federchange in government from at Malta's competitiveness as an socialist to conservative a year industrial base.

> recently following an outcry by trade unions and Maltese compatreasury stocks by a government claiming to be strapped for cash has rocketed the national debt to £M97m (£155m) from £M67m a year ago. Sensitive concerns including commercial banks, telecommunications, broadcasting

and energy - roped into the pub-lic sector by the rival socialists have remained under state control despite the government's lib-

with the unions and the Labour Party dead set against privatisation, it is doubtful these will ever fall into private hands. The new government's foreign policy also seems to differ hitle from that of its predecessors. The stated intention to forge closer links with the US and Western Europe has brought little con-crete economic assistance

During the past 12 months Pre-mier Fenech Adami has been careful not to sour the island's relations with the Soviet Union, with which Malta shares a \$600m three-year trade reciprocity accord, nor Libya, traditionally a valuable trading partner. This morning the Nationalist Party ran a full page advert in the island's mass circulation morn-ing daily The Times listing the social, political and economic gains made by the new government. The universal reaction is that most achievements are more organisation to defend their imagined than real.

ITALY and West Germany are to study ways of stepping up co-op-eration between their armed forces, but this is unlikely to take the form of a joint brigade like the French-German one agreed last year, writes Alan Friedman in Milan.

This was a key outcome of talks in Rome yesterday between Prime Minister Ciriaco De Mita and Chancellor Helmut Kohl.

BY CHRISTOPHER BOBINSKI IN WARSAW

technological, scientific and eco-logical spheres. This is to be co-ordinated by two "directors for Italian-German relations" who

will be appointed by the Italian and German governments. The Rome summit, in which

talks in Rome yesterday between eign, defence and finance ministers. Ciriaco De Mita and Chancellor Helmut Kohl. The talks led to an agreement to Mr De Mita said the military to strengthen bilateral ties in sev-eral areas including economic, a broader series of bilateral ini-fixed.

integration.

Italian and West German for-eign and defence ministers plan the German and Italian leaders to hold a regular series of meet-were accompanied by their for-ings to work out common positions on security, disarmament and East-West dialogue. Mr De Mita also said he plans to visit Bonn in the near future, although a date has not been

Polish farmers stage rural Solidarity demonstration

POLISH farmers demonstrated in workers who had suffered as a Warsaw yesterday in support of result of recent strikes in Gdansk the banned rural Solidarity and Krakow.

mnon.

Mr Zbigniew Rokicki, one of the farmers' leaders, told hundreds of supporters attending a service at Warsaw Cathedral to mark the anniversary of the strongly supported the group.

Mr Rokicki said rural Solidarity in five provinces had asked the local authorities for meetings terests and appealed for aid to

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اهكدامن الأهل

Pakistan, India to hold talks over land dispute

PAKISTAN and India will withdraw from Afghanistan on resume talks on normalising rela-tions next week after a two-year accord which includes Pakistan. gap and only days after the start Afghanistan, the United States of a Soviet troop withdrawal from and the Soviet Union. Afghanistan, Reuter reports from

Pakistani Minister of State for Defence Secretary, would have converge. two days of talks on May 19 and 20 with Mr Ijlal Haidar Zaidi, his opposite number

Slachen glacier, a disputed area in the Karakoram mountains just south of the Chinese border and in the north of Kashmir in the far north west of India.

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Since 1984 troops from both sides have played a dangerous game of cat and mouse along the game of cat and mouse along the 6,000 metre high ridges of the gla-cier. Mr Mahmud said that and June, 1986. In early 1987, both sides started forces there were routine.

said that the talks were signifi- to stand down. friend of New Delhi, starts to have fought three wars.

Although remote and isolated, the disputed Stachen glacier is Mr Rana Naeem Mahmud, one of the strategic points in a

Ch<u>i</u>na.

The long finger of Afghan-istan's Wakhan corridor stretches out to the northwest

British Aerospace places \$700m contract in US

BY PETER MARSH IN LONDON

tructures, a US aerospace com-rether than in Britain was likely pany based in Nashville, Tennes- to be cheaper. see, for the building of wing parts associated with the development hedge against further currency of the Airbus A-330 and A-340. fluctuations, that a significant

about a year after BAe obtained a promise of £450m (\$856m) from the Government to defray the

sion to award such a large over-seas contract followed the need craft in the next 15 years, it to reduce costs and share the risk expects contracts worth some in developing the aircraft.

region where the respective bor-Defence, said yesterday that Mr ders of the Soviet Union, China, S.K. Bhatnagar, the Indian Pakistan, India, and Afghanistan

Historically, the area has always been a meeting place of cultures and commands one of An Indian embassy official said the main East-West routes along the talks would focus on the teleks would focus on the the main East-West routes along running from Pakistan into

toward this region.

This would be the third round of normalisation talks. The first

orces there were routine. a troop build-up along their Western diplomatic sources southern borders but later agreed cant, because they reopened just Since the partition of British bafore the Soviet Union, an old India in 1947, India and Pakistan

BRITISH AEROSPACE yesterday Due to currency movements it placed a contract expected to be said that manufacturing some worth \$700m to Textron Aeros- sections of the wings in the US

The announcement comes proportion of the development rency likely to apply to most of the future sales in the 1990s. programme's development costs.

The European Airbus consortium, that an overseas company is the other partners being MBB of that an overseas company is sharing in the benefits of the launch aid.

the other partners seeing most of west Germany, France's Aerospatiale and Casa of Spain.

In the development of the A-330 BAe, which is cutting its UK and A-340, likely to be flying in workforce of 89,000 by 5,000 over the early 1990s, BAe is mainly the next 18 months, said the deci-

It also wanted to ensure, as a was paid for in dollars, the cur-

nultilateral plan.
But the US faces trade and



Khomeini: Has come down clearly on one side

Radical factions ascendant as Iranians vote IRAN IS going to the polls today for the second round of what has

proved to be the most fiercely contested election campaign since the establishment of the Islamic Republic nine years ago. The new Mailis (parliament) will convene against the background of a series of rulings issued by Ayatollah Ruhollah Khomeini, Iran's spiritual leader, which pave the way for a radical reform programme but which have also resulted in a period of change and uncertainty. The first round of the elections five weeks ago has confirmed this trend

and conservative groups issued lists of recommended candidates for the voters. Out of a total of 270 seats, 188 were decided, with the candidates of the radical groups winning most of them. The second round will determine the remaining seats from among candidates who failed to secure a clear vic-The campaign has already wit-

Political parties were abolished

two years ago; instead radical

BY SCHEHERAZADE DANESHKU

nessed the break-up of the main conservative group, the Associa-tion of Militant Clergy. A number of its members, frustrated by the group's conservative stance on economic issues, broke away to form a separate organisation, the Militant Clergy of Tehran. The split reflects similar moves

by the radical faction within government, and underlines the scope for greater personalisation of allegiances in the absence of party politics.

the first time in years, come down clearly on one side. He has strengthened the position of sures even though these might anti-capitalist groups who favour contravene Islamic law, some increased state intervention in the economy by urging the voters to reject "those who are defenders of capitalist Islam. . . in short, American-style Islam," and instead to endorse those candidates who "have experienced the to prevent hoarding and elimi-

words, of the Islam of the barefooted of the earth, the Islam of the deprived and the meek".

The demand for a radical economic re-think has come from the hizbollahis (partisans of God), the ideological supporters of the Government. They have shown themselves to be impatient with the Government's promises that economic problems, such as rising inflation, worsening housing conditions and the scarcity of household goods, would be solved once the war with Iraq had

The Ayatollah himself has, for t Since Khomeini's ruling in Jan-he first time in years, come uary by which the state is allowed to adopt radical meabills vetoed by the conservative Council of Guardians, which vets legislation to see that it accords with Islam, have been resubmit-ted to the Majlis. These include a bill on distribution, which aims

bitter taste of poverty and who nate middlemen, and one essen-are defenders in deeds and in tially providing for the national-recent Iranian setbacks on land isation of foreign trade.

nent politicians, including Presi- sway in recent years. dent Ali Khamenei and Majlis speaker Ali Akbar Hashemi Rafsanjani - is a mix of conservatives and reformists, and as such cannot be expected to guarantee a consistent passage of radical legislation, though in general such legislation is likely to be

An important consequence eign policy, and the war in partic- the radical groups.

and at sea. If the Council of Guardians Some extremist groups largely continues to veto legislation. pushed aside after the execution then a new legislative body, the last year of Mr Mehdi Hashemi. Council for the Expediency of the leader of an organisation ded-State Decrees, is expected to icated to exporting the revolubreak the economic policy paraly- tion, have already re-emerged. The increasing power of the The Council - made up of six extremists is a challenge to the members of the original Council relatively non-ideological conduct of Guardians and seven promi- of foreign policy which has held

> If the radicalisation of the poli tial mood increases, however, the pragmatists will have little choice but to abandon their policies if they wish to retain power.

The pragmatist leadership is therefore faced with a dilemma. In order to continue the war it economic measures of the sort lahis, but the support of these proposed has been to radicalise elements unleashes powers the political atmosphere. This which it may not be able to conpolitical atmosphere. This which it may not be able to contancy towards the West and the exacerbated by the likely sweep Gulf states on questions of for- of Majlis seats by candidates of

Richard Gourlay reports on a bureaucratic tangle in the Philippines

Aid lies idle as Manila ponders

THE multi-billion aid package for shall plan years, when it had a tion of existing projects remains Against this backdrop of uncervalue unless Manila's bureau- to preserve its markets. cracy can quickly find projects Japan, however, is closer to

mitted to the Philippines by aid donors, according to government and donor figures. While some of this is the unused portion of multi-year programmes, a large chunk lies idle because of bureaucratic paralysis in Manila.
"There is no mechanism out there to identify projects," said

one development economist, before reeling off a list of transport, energy, telecommunications and social infrastructure projects that the country needs. "It is a case of money chasing projects."

Interest has increased in a mini-Marshall plan, based on the programme that helped rebuild post-war Europe, since US Representative Steven Solarz first broached the idea in November. Last month Mr Lee Kuan Yew, Singapore's Prime Minister, worried by possible political instabil-ity in his back yard, strongly orged the US to take the lead in a

budget deficits of its own. It is no longer the country of the Mar- improvements, but implementa-

cracy can quickly find projects
for the aid already on offer.

By the end of this year, over

\$3bn is likely to have been com
increase its aid flows in order to spruce up its international image. In April, according to Japanese diplomats, Japanese officials told Mr Raul Manglapus, the Philippine Foreign Secretary,

> A Soviet diplomat yesterday defended the presence of Soviet warships in the South China Sea and said Moscow would oppose any move by Washington to retain military bases in the Philippines through an aid plan, Reuter reports from Manila.

that if a scheme was set up under an institution like the World Bank, then Tokyo would be very keen to play a part. Without an improvement in the flow of aid into projects, how-

to take a longer, cooler look at the mini-Marshall plan. Mr Fiorello Estuar, who heads a presidential team to unblock the aid pipeline, has made some

the US wants on board are likely

the Philippines now under disstizbn a year trade surplus, half a serious problem.

cussion by its European and the world's gross national prodAsian allies may have limited uct and a need to recycle dollars

tain developmental benefits, the
A striking example is a \$200m

US must now try to sell the
thermal power project to be mini-Marshall plan to other interthermal power project to be financed by the World Bank and concessionary Italian credit. The money is on the table, but the project has been delayed while the Office of the President decides what one government corporation should charge another government corporation

for steam The much larger problem committing to projects at the turn of the decade – has been magnified by Mrs Solita Monsod, Secretary of Economic Planning, who has effectively barred the use of foreign consultants to devise programme proposals. With the pipeline for projects comprehensively clogged, aid economists say mini-Marshall aid would have to go to so-called pro-

gramme lending.
It could either plug the public sector budget deficit or support the balance of payments ensuring that the country's \$28bn foreign debt can be serviced but ever, the multilateral donors that also providing the private sector with the foreign exchange it needs to expand.

The flows would also fre funds to finance a more efficient military and a land reform programme, currently making slow progress through Congress.

national donors.

It has already run up against scepticism in Manila. Many Filipinos suspect that the plan is somehow linked to the current negotiations, which will help determine whether the US can keep its strategically important military bases in the Philippines after the lease runs out in 1992. Only a day after the Adminis

tration announced it was discussing a Marshall-type plan, Mrs Aquino made it clear that the bases and the aid should not be linked and the US Ambassador denied that they were.

The question of whether the mini-Marshall plan be controlled by the US through a consultative group or should be run by the World Bank has still not been

There is a final possibility. The announcement of the plan in Washington was premature - it was certainly made before serious contacts were established with other donors - leaving a real posibility that international support may not emerge. The US Adminstration would then stand accused in the Philippines of cynical manoeuvreing during the bases negotiations.

Kim Young Sam in political comeback

MR KIM YOUNG SAM was ves terday re-elected president of South Korea's opposition Reunification Democratic Party three months after he stepped down in response to pressure for an oppo-

sition merger.
Mr Kim's RDP became the second largest opposition party in the National Assembly election last month in which the ruling party lost its majority. He was eclipsed for first place by Mr Kim Dae Jung's Party for Peace and Democracy.

Mr Kim said that he planned to pursue reform through the assembly, where new powers will allow the investigation of controversial matters. Mr Kim Dae Jung said yesterday that he planned to try to form a commit-tee to look into the Kwangju inci-cessor ex-President Chun Doo dent when the assembly opens.

in a rebellion in provinicial Kwangju in May 1980. Mr Kim said that three main issues needed to that the Government is considerbe investigated - the motives of ing releasing more of the hunthe military in the incident and dreds of political prisoners still its cause, the identity of the offi-cers who ordered the killing and week from Cardinal Kim Su the role of the US, which was technically in control of South Korean army units at the time.

The issue is perhaps the most



Kim Young Sam

dent when the assembly opens. hwan, took power in a military At least 200 people were killed coup with his help six months

Meanwhile, hints are emerging Hwan, leader of South Korean Catholic Church.

ruling party appear to favour the sensitive one confronting Presi-dent Roh Tae Woo, whose prede-ently resisting any change.

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Precarious

Syria-Iran

truce holds

By Nors Soustany in Mehrul A SYRIAN-IRANIAN agreement

A SYRIAN-IRANIAN agreement resulted yesterday in joint supervision of a precerious truce in Beirut after six days of deventating inter-Shia conflict between the rival Amai and Hisboliah fighters in Beirut's southern slums, but nervous and sceptical supers burg dospedly to their

cummen hung doggedly to their

Despite veiled threats by Syria

ositions.

in Beirut

Cuban build-up | The cost of war mounts steadily for Angola threat to Angola and the guarrillas are getting on with fighting the wars. Every few minutes the quiet in Lubango is shattered by the roar of Soviet-made MiG-23 and MiG-21 warplanes on training missions around the town, reminding visitors that the Angoral and reference is probably the roar of severy few minutes the quiet in Lubango is shattered by the roar of Soviet-made MiG-23 and MiG-21 warplanes on training missions around the town, reminding visitors that the Angoral and reference is probably the roar of the next offensive land a mere 200 metres from the city. The charges were land a mere 200 metres from the city. The charges were land a mere 200 metres from the city. The charges were land and reference on the province of the next offensive land and reference of Namile.

troops in southern Angola, Mr
Pik Botha, the South African Foreign Minister, warned yesterday.

Mr Botha was speaking in Cape
Town before he flew to Brazzaville, capital of the Congo, for
talks with Angolan representatives aimed at seeking a neenttives aimed at seeking a negoti-ated settlement to the 13 year old civil war in Angola and indepen-dence for Namibia.

The South African delegation included General Magnus Malan, the Defence Minister, and other senior military and diplomatic officials. The Angolan Govern-ment, which had been expected to send its foreign minister, is represented instead by Mr Franca Van Dunem, the Justice Minister.

The offical Angolan news agency said that the talks, which follow last week's meeting in London between Angola, South Africa, Cuba and the US, would be an "exploratory meeting between experts at the request of

involve all sides concerning the

ANGOLAN PEACE negotiations trolled radio and television netcould be endangered by an work that the delegation, billed alleged new build-up of Cuban as the first ministerial visit to an

> statements in Parliament on Wednesday night when he first revealed the alleged Cuban troop build-up and said that their movement south towards the Namibian border, possibly with South West Africa People's Organisation forces "either among them or following them," was "seriously raising the temperature and tension in the

He added that the Americans had been informed of the alleged Cuban build-up "as a matter of urgency" so that it could be raised with the Soviet Union, be an "exploratory meeting Cuba's ally, during the talks between experts at the request of between Mr George Shultz, the South Africa". The US and Cuba US Secretary of State, and Mr are not taking part in the Brazza-ville talks. Eduard Shevardnadze, the Soviet Foreign Minister. The two men are currently involved in prepahear the concerns of South Africa ratory talks before the Reagan-over the basic decisions which Gorbachev summit later this month which are expected to conindependence of Namibia. . . and centrate on disarmament issues the security of Angola," said the but also include discussion of agency report. regional issues such as Afghan-Mr Botha told the state-con- istan and Angola.

Hijackers force Chinese airliner to land in Taiwan

A CHINESE Boeing 737 carrying 107 passengers and crew was hijacked to Taiwan yesterday, state television said, Reuter

writes from Taipei.
It said two hijackers armed with fake hand grenades took over the aircraft which was on a flight from the southern Chinese island of Xiamen to Canton. The television said Chinese MiG fighters had tried to inter-

cept the airliner as it veered offcourse towards Taiwan. Boeing and fighters scrambled to intercept it, television said.

Ten Taiwan military jets escorted it as it flew over Taiwan's Pescadore Islands in the Taiwan Strait.

Hundreds of military police cordoned off the airfield near the central city of Taichung to stop reporters from entering.

Television identified the two hijackers as Chang Ching-kuo, 27, from China's Shantung province, and Lung Kuei-yun, 26, from ourse towards Taiwan. Yunnan province. Both are work-Taiwan radar located the ers, it added.

It said there were foreigners among the passengers.

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world class golf Championship likely to include Greg

Chub Pavilion, whilst enjoying the spectacle of a

about a peace settlement for Angola and Namibia, the soldiers and the guerrillas are getting on

most powerful in sub-Saharan Africa, even if thousands of the country's people have been killed maimed or reduced to destitution by the fighting.
In the market next to Engels

University, gun-toting Cuban and Angola has suffered from journey in time of peace, which Angolan troops haggle over nearly a quarter of a century of could now take more than 40 Soviet sandines, army toothpeste fighting. First the guerrilla move days as a result of land mines,

next to the statue of Christ, the cach other with the help of the cuban radar installation calling superpowers. Since independence itself "the steel eyes of the revo-

for access to the port of Namice. To the east the town of Culto Cuanavale is besieged by pro-Western guerrillas of the Unita movement and pounded by South Africa heavy artillery.

and local oranges.

On the hill above the town, next to the statue of Christ, the each other with the help of the

encampment of government sol-

diers guarding the power lines. Nearby, a buge convoy of trucks with military escort is crawling on its way to Moxico in the east of the country, a routine ambushes and bad roads. The war has exacted an appall-

This week the capital Luanda towns and roads inland. The has been plagued by power cuts. Angolan Government has

the US and Zaire. Next week, despite its substan-

VICTOR MALLET REPORTS
FROM LUBANGO,
SOUTHERN ANGOLA

collapsed under the burden of the war and the Marxist government of the marking government of the desistance. Permanent government of the desistance assistance. Permanent government than just ment control has been reduced to the coastal strip and defended whole villages of the internal towns and defended to the coastal strip towns and roads inland. The Angolan Government has enlisted the military support of Soviet advisers, 40,000 Cuban soldiers and the Namibian guerrillas of the South West African People's Organisation (Swapo), while Unita is backed by South Africa, the US and Zaire.

Whole villages of the internal refugees, known as des locudos have moved in fear from their fertile highlands in provinces such as Kwanza Sul to camps on the hot coastal plains where they become dependent on food aid become dependent on food aid demics.

A typical victim of the internal refugees, known as des locudos have moved in fear from their fertile highlands in provinces such as Kwanza Sul to camps on the victims of cholera epi-

Next week, despite its substan-tial oil revenues. Angola will appeal in Geneva for more than \$100m in emergency sid. Bearing in mind South African in Bearing in mind South African incursions into southern Angola, and the attempts by President Jose Eduardo dos Santos to reform the economy along Western lines, Mr Oto Denes, the United Nations representative in Luanda, is calling on the international community to support the appeal. "It's children at the Lubango orphange, one day five years ago he was walking home from school with a group of friends. He stepped on a land mine, losing one leg and the sight of both his eyes. His parents are dead but he thinks they are alive because those who look after him cannot bring themselves to tell him.

Anthony Robinson reports on a relentless campaign fought on all fronts

bloc. Most have not.

ANC morale, high in 1985, is

now low, claim South African

security men who interrogate captured cadres. Their trials have revealed poor training and organisation, weak internal security, and above all, a dangerous lack.

Despite veiled threats by Syria that its troops would inserve unless the bloodshed stopped, none were deployed in the city's volatile southern suburbs to bring relief to the mainstream Amal militia, which supports Damascus but has been mauled by the more radical pro-tranian Hizbollah in the fisrce exchanges of the nast week. of the past week.

A telephone conversation between President Hafez al-Assed of Syria and President Ali Khamanei of Iran late on Wednesday

menet of Iran late on Wednesday led to a cassefire announcement. It should have allowed for the evacuation of the wounded, a prisoner exchange and the withdrawal of gunden from the streets. But soon after Iranian and Syrian observers toured battle-cones with Amal and Hexholiah representatives to clear the area of manifestations of war, suspicious militiamen slipped

and above all, a dangerous lack of contact with the evolving social, political and economic reality of contemporary South African black society.

Yet at the same time, as the latest arrests and suspected white involvement in recent bomb explosions demonstrates, the ANC has been increasingly able to recruit young idealistic the suburbs' western frings able to recruit young idealistic the suburbs' western fringe whites, including Afrikaners. around Chiah.

turmoil and divisions in white society. Many are wracked by shame and guilt. Some appear to have reached the point of taking up arms in the belief that the ANC's armed struggle is more morally justified the point of taking in control of a wide section of the mid-city Graen I in the belief that the ANC's armed struggle is more morally justified the mid-city Graen I in the belief that the ANC's armed struggle is more morally justified the mid-city Graen I in the belief that the ANC's armed struggle is more morally justified the mid-city Graen I in the mi hills overlooking the city from

"The suburbs have become a seat of power for the Shian," com-mented one leading intellectual of the sect yesterday.
"Hizbollah will become a main

ese equation as long as they are in a position to upset the status quo along the Green Line." he added. An Amal spokesman said yes-terday that he had specific infor-mation that the Syrians did not

want to intervene directly in the Analysts say that Syria's reluc tance to get militarily involved in in a response to hard-line Chris-tian opposition to Damascus hav-

ing any say in the forthcoming presidential election. Israeli iets attack bases

ISRAELI jets attacked Palestinian targets in the Druze-held Chouf mountains south-east of Beirut yesterday, security sources said, Reuter writes from

They said six US-made F-10s fired rockets at bases of the Democratic Front for the Liberation of Palestine-General Command in Marj Barja, 15 miles south-east of Beirut.

Witnesses said at least five peo-ple were wounded in the attack, the seventh by Israeli jets on targets in Lebanon this year. They

JAPAN

ANC takes some hard knocks from Pretoria

can delegation set off yesterday for talks in Brazzaville with Angolan counterparts, the secu-rity forces back home were cele-brating the latest success in their

domestic war against the African National Congress. According to the police, four white members of the ANC's military wing, Umkhonto we Sizwe were captured in an isolated farmhouse north of Johannesburg together with a cache of Cuban forces.

Soviet-made weapons, including Pretoria has made known that

The latest incident has dealt nother serious blow to the ANC. its broadcast intention to "make South Africa ungovernable" began to look credible to many blacks and foreign observers at the height of the black revolt in

Since then the Lusaka-based leadership in exile has reeled under defeat after defeat as Pretoria has stepped up domestic repression under the re-imposed state of emergency, mounted cross border raids against alleged ANC bases and infiltration routes in neighbouring states, and waged a secret war against ANC cadres abroad.

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COMPANY.

Don't get left out at the open

Mr Sam Nujoma, leader of the South West Africa People's Organisation, is visiting Cuba at the invitation of President Fidel Castro for talks with government officials, the official newspaper Granma reported yesterday. Mr Nujoma was met on arrival by Mr Jorge Risquet, a politburo

member who headed Cuba's delegation to last week's London talks on peace in Angola and independence for Namibia. Swapo, whose guerrilla army is based in Angola, was not represented at the London conference.

By stepping up its aid to rebel sanctions, boycotts and diplo-Unita forces in Angola, Pretoria also helped repel last year's Sovi-et-backed offensive against Unita by the Angolan Government and recently banned United Demo-

Some anti-alreraft missiles.

The police also let it be known linked Angolan and Namibian that the presence of the four issues would have to include a alleged Moscow, Cuban and non-aggression pact which that the presence of Angola as a secure alleged Moscow, Cuban and non-aggression pact which Angolan-trained suspects had deprived the ANC of its vital been revealed by an ANC Angolan rear bases. Severely curinformer in a move calculated to tailed in its ability to wage the spread consternation in ANC armed struggle, the ANC would ranks.

The latest incident has dealt and political means alone and political means alone.

Up to now, the military and political struggle has been run in tandem, with the latter aimed at

says that the Government and its

army appear to be operating a "carefully constructed strategy"

of scorched earth measures, widespread killings and torture against southern civilians.

Sudan's efforts to reschedule

its \$10bn external debt, win new backing from donors, and attract

assistance for its growing refugee

problem are likely to be judged in the context of mounting concern

about the human rights record of

The authoritative 25-page docu-

ment, compiled from a wide range of sources, accuses the Government of making no real

attempt to tackle the fundamen-

tal causes of Sudan's "truly des-perate plight".

Only negotiations based on constitutionally guaranteed religious freedoms, autonomy for the

south and equitable regional divi-

sion of resources can end the civil conflict, it argues.

Since 1983 the Government has been at war with guerrillas of John Garang's Sudan People's

Liberation Army, which seeks

autonomy for the predominantly

BY MICHAEL HOLMAN, AFRICA EDITOR

the five-year civil war in Sudan the largely Moslem north.

macy; mass mobilisation of oppo-sition to Pretoria through sympa-thetic organisations such as the cratic Front, and the creation of underground structures such as

base area would also cripple the 20-year armed struggle of the South West Africa Peoples Organisation (Swape) for Namibian independence But for the ANC the prospec-

tive loss is doubly traumatic, because it recalls its expulsion from Mozambique after the achieving three goals: increasing March 1984 non-aggression South Africa's isolation through Maputo signed with Pretoria. March 1984 non-aggression pact

of scorched-earth policy

Much of southern Sudan is no

longer under government control and the main southern towns of Juba, Malakai and Wau come

paign against the SPLA, has over the past two to three years been arming local militias made up of

The war "is reaching new

depths of destruction, cruelty and

killing", says the report. The

civilian government appears to

be abdicating management of the

"southern problem" to the mili-tary, which in turn is "giving

The main target is the Dinka people, the largest single tribe in the south and some 2m strong.

The report describes what it

calls a scorched earth policy in the report estimates that 500,000

more and more free rein "

under frequent SPLA attack.

Expulsion from Angola, or even confinement to the northern provinces, would make it virtually impossible for the ANC to mount guerrilla attacks on South Africa. Its existing Tanzanian bases are too far from South Africa to be of much military use. The net effect could be that the ANC is forced into a fundamental reappraisal of its strategy. Many black South Africans and Namibians undergoing training

or fighting with the Angola Government's forces against South African-backed Unita rebels led by Dr Jonas Savimbi, have already been in exile since 1976, when thousands left after the uprising in Soweto.

The lucky ones have received education or higher military equipped security forces.

and children, says the report.

army officer involved in the Wan

Thousands of southerners have



by Pretoria's own highly

southerners are crossing into

incidents last September, which include the mutilation of women "the architect of the tactic of using tribal militias", an army major-general who is in the cabitown," Sudan's capital

net. It also names another senior moved north to Khartoum, and

internal refugees are now living in squatter camps around the city. Increasing numbers of Ethiopia. At least 250,000 are in refugee camps in the south west, where food is running out.

squatter settlements in Khar-

endorsement of rape, looting, engines raced to the scane. "The toorture and wholesale murder as legitimate tactics againt innocent civilians caught up in a war not of their making."

Hea as amoutances and three engines raced to the scane. "The aircraft struck at civilian and military positions of the DFLP-GC," a security official said.

least several hundred thousand cattle" to Fertit militia, who have herded the animals north and exported many of them. rne case of support for the SPLA comes from the Dinka atrocities involving either the tribe. The report describes how the Government of Dinka atmy or militias. In one inside the Government of Prime Minis in Ed Da'ein, in Southern Darfur, ter Sadiq el Mahdi, in its cam in March last year, 1,000 Dinka in March last year, 1,000 Dinka were killed. Last August, in the area around the southern town of Wau, over 1,100 civilians died at Equatoria province, the Nuers in pipes were connected to Upper Nile, and the Fertits of armoured personnel contents. Over 2,000 were killed in various

Those civilians fleeing the war in the south and who make their way north "appear to be facing a sustained campaign of harass-ment, from assaults, killings and theft on the road, to burning of

The continuing role in government of the two senior army offi- said smoke billowed over the cers, "must be taken as an area as ambulances and fire

Israeli deficit up 55%

the Government revealed yester-

Sharply higher imports of mili-

tary and civilian goods outstripped a strong export performance. Boosted by a devaluation of the Israeli Shekel, exports of goods and services grew by 17 per cent, to \$14.2bm. Imports, meanwhile, surged by 26 per cent, to \$20.4bm. surged by 26 per cent, to \$20.4bn, after five years - from 1981 and 1985 inclusive - of stagnation around the \$15bn mark.

ISRAEL'S balance of payments transfers from abroad, including deficit rose by an unprecedented US Government aid of \$3bn. Trea-55 per cent last year, to \$6.2bn, sury forecasts for 1988 recently sury forecasts for 1988 recently presented to the International Monetary Fund indicate a slowing down in the rate of growth of imports - to \$21.2bn - along with a continued strengthening of exports, to \$16bn.

But, the latter figure is likely to prove over-optimistic in view of the decline in tourism this year and the continued weakness of the US dollar.

Defence equipment imports from the US are also expected to In contrast to previous years, grow strongly, from last year's no panic surrounded the widening trade gap, financed by higher recent US government figures.

CORRECTION Notice to the Holders of NORDISKA INVESTERINGSBANKEN (Nordic Investment Bank) 12 1/2% Notes 1983/90.

The following Notes have been incorrectly published as drawn for redemption at maturity 15th July 1988. These Notes will therefore not become payable at this instalment:

NOK 100.000.000,-

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1987 Winners.

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MSC

Revised figures show US retail sales higher than expected

siderably stronger in the last three months in 1987.

mates show a 0.6 per cent fall between March and April, this is the result of a sharp upward revision of the March figures, which are now estimated to have been 1.7 per cent higher than in February, against an earlier estimate of

Shock

The value of sales in the three months to April is now estimated to be 25 per cent higher than in

US RETAIL sales have been con- and 6 per cent above the same whether recent rises in interest The actual level of sales in

The actual level of sales in April was closely in line with market forecasts. The figure was bepartment of Commerce,
Although the new advance estimates show a 0.6 per contact. where the markets have been concerned that the strength of consumer demand might cramp the improvement in the US trade

> There was further reassurance from Fed Governor Wayne Angell, who told a news conference in Washington that he was "somewhat satisfied" with the current growth performance of the US economy, and added: "I'm not worried about too rapid

rates represent a policy change.

showing strong growth in cars and other durables, which is now

the previous three months, when weak sales reflected the shock of the October stock market crash,

Greenspan calls for caution in reform of securities markets

Federal Reserve Board Chairman. called yesterday for caution on attempts to reform the regulation of securities markets in the wake of the October stock market col-

lapse, AP reports from Chicago. In remarks prepared for deliv-ery before the conference on bank structure and competition at the Federal Reserve Bank of Chicago, Mr Greenspan noted that several analyses of the market plunge have suggested the need for reform of the regulatory structure for the stock, futures

and options markets.
"While it is clearly true that each of these markets is really only a component of one integrated market valuation system. and that such linkage implies the need for a co-ordinated regulatory approach on intermarket issues, my colleagues and i believe that we should proceed cautiously in this area," Mr Greenspan said.

The Fed chairman also reiterated his support for elimination of the separation of commercial and investment banking in the

Glass-Steagall is most consistent with addressing the fundamental market and regulatory develop-ments undermining the long-run health of US banks," Mr Green-addressed by requiring use of the

He also said that the board tional form to insulate the hank "strongly supports" the generic authorisation of securities powers for banks contained in the senate version of Glass-Steagall

reform legislation.
"I believe it would not be useful to grant only specific, limited securities powers to banking organisations since that runs the risk of product obsolescence as market innovation and technological change continue," Mr Greenspan added.

The US central bank is "under no illusions" about the riskiness of securities activities when it supports allowing banks to

expand into that area, he said.
"Nonetheless, available evidence, including that from the October crash, suggests that the risks of securities activities can be managed prudently in the vast majority of situations," Mr Greenspan said.

"It is important to underline that the Federal Reserve board's objective in its support of broader powers for bank holding companies is not to bail out banks, but rather to facilitate an efficient Glass-Steagall Act. deployment of assets, capital and "Of all the possibilities for human resources to meet the expanded bank powers, repeal of public's needs for financial ser-

vices," he emphasised.
Mr Greenspan repeated the expanding bank powers can be addressed by requiring use of the financial regulatory structure bank holding company organisa-

The retail sales figures confirm the pattern of earlier figures in thought to have slowed down quite sharply, but comparatively weak figures for non-durables, shown only 3.3 per cent up over the last year, barely above the price increases in this group.

The confusion over the monthly pattern of sales is normal when Easter falls early in April, according to the official statisticians. Many companies

from its non-banking affiliates.

He also added that the Fed sup ports "an even further strength

ening of the insulating firewalls

that already exist." He suggested

that the forces of technological change were behind many of the

issues arising from the stock

For example, "the pre-October level of stock prices may have been inflated in part by an erro-

neous anticipation that technology permitted rapid hedging or

strategies that would permit

entire portfolios to be liquidated

rapidly," he said.

had already begun

UK or the US are echoed here. In this psychological whitening literacy, child mortality and that occurs when a black individ-Congress trims fat from the pork barrel

BY STEWART FLEMING

ael Jackson, the US pop star.
As a bland commentary

charted Jackson's career and the mounting zeroes on his pay

cheques, the moonwalking, jitter-

bugging entertainer magically "whitened" before our eyes. Yet

no reference was made to this

Today, exactly one hundred

years after a two-sentence law

aware of the Jackson syndrome in their own society - the fact that success, freedom and wealth

are linked to the process of embranquecendo, or whitening. To the visitor from abroad,

Brazil first appears the model society where the melting pot of

miscegenation has miraculously created a harmonious inter-racial

NOWHERE is it written into US law that communities across the country are entitled to federal money for dams and irrigation projects or for the boost to many local economies that can come from having a US military base in the area. But when politicians in Con-gress have been anxious to demonstrate to their local con-stituents that they are work-

"Moreover, I believe that the severity and ramidity of the Octo-ber crash was in many ways the ing hard on their behalf, ensuring that a Federal water outcome of tension between draproject is financed or a military base kept in operation has matically changing computer and telecommunications technology been one way of achieving and the unchanged human ten-So moves this week on Capi-tol Hill which would curb these so-called "pork barrel" spending proposals are just as surely indicative of the beltdency to disengage, or withdraw and avoid commitments, when prices become highly uncertain." The system could not handle the resulting clash, Mr Greenspan

tightening mood in Congress as the calls for allied govern-ments to play a bigger role fin-"Any regulatory restructuring must take the hard edges off this conflict, but still allow for the ancing the defence of the West. continued evolution of financial markets," he said. The Fed chairman also asserted that "realistic reform" of On Wednesday the House Appropriations Committee ed that the 1989 federal proposed that the 1989 recerai budget should contain no

gation systems - the first time in the memory of congressio-nal staff that such a draconian proposal has been adopted. The move was made neces-sary by last year's budget summit between Congress and the

White House, which sharply constrained spending.

Meanwhile, on the Senate side of Capitol Hill, a separate-voice vote approved a proposal which would allow the Pentagon to start closing some US

military bases.

The procedure for doing this is being carefully designed so that Senators and Congressmen representing the commu-nities which will be hit economically by these decisions will be protected from political attacks for failing to defend local interests.

The Secretary of Defence would, if the proposal becomes law, create a bipartisan commission that would list bases that no longer serve a significant military purpose. Congress would then vote on the whole list rather than on the

truth.

ads even for humble jobs are offered exclusively to those of good appearance - the "polite" the restaurant doors.

Freyre praised this flexibility in white society, but black leaders now regard such "liberalism" form for white. Blacks, who with half-castes make up a majority of Brazil's 140m population, are quite used to being directed to the service

lift when visiting friends in midfinally abolished slavery, black die-class apartment blocks. Many Brazilians are more than ever would not even attempt to enter nine equality. "In some ways, Brazil is worse than South Africa, where racist the better restaurants, where managers tend to turn away not merely black customers but also waiters whose appearance is not deemed adequately "good".

On television or in films, blacks play the servant, the sportsman, the musician or perhaps a comic role, but rarely the lead. In Congress, out of 559 members, just seven are black Yet beneath the public image and, according to one black conthe depressingly predictable sta-tistics that can be found in the UK or the US are echoed here. In

This psychological whitening

The proof is also hidden in

newspaper type where classified

ian television this week in the form of a TV biography of Mich-their white brothers.

hugely disadvantaged alongside non first identified by the late Gilberto Freyre, the Pernambuco Gilberto Freyre, the Fernandano social historian. A black deputy, for example, or the footballer Pele, on account of their success are tacitly accorded honorary white status that magically opens and consciousness in the countries of the results and consciousness in the countries of the results and consciousness in the countries of the countries of the countries of the results and consciousness in the countries of the countries of the results and consciousness in the countries of the countries o

A century after slavery was abolished, blacks are not quite equal, Ivo Dawnay reports

as an essentially damaging mechanism in their efforts to win gen-

laws provide a clear politicising target for blacks," Mr Jose de Paixao, head of Rio de Janeiro's Afro-Brazilian Cultural Commit-

tee. says.

"The trouble here is at least half with the black population itself, which refuses to recognise that it is often skin colour, not endemic poverty, that is holding back its development."

Evidence of this was shown in

THE major American money cen-

should have written off an addi-

By Nancy Dunne in Washington

closer to \$49bn.

The report also said the Ameri-

try's African roots.

This year's Rio carnival emphasised "One hundred years of nothing", and in the 90-percent-black north-eastern city of Salvador, a self-styled "Rasta resistance" group is arguing for a boycott of the official abolition of

Such consciousness-raising efforts have a long way to go, however. As Mr Roberto da Matta, Brazil's leading contemporary sociologist, underlines, the country's long paternalist tradition also plays its role in maintainth attention also plays its role in maintainth attention also plays its role in maintainth attention also plays its role in maintainthis attention and attention and attention attention and attention attent

a recent government survey tion and title as a crucial cause of which asked participants to oppression of both poor white describe their colour. More than and poor black alike.

The 'good appearance' of racism in Brazil A PARABLE appeared on Brazilemployment, black citizens are ual rises in society is a phenome a hundred suphemisms were
the "Do you realise with whom is
you are speaking," syndrome. In the suphemism were
the "Do you realise with whom is
you are speaking," syndrome. In an effort to reverse this the very opposite to Brazil's

Somehow, despite the obvious cruel racial injustice that Brazil shares with all countries, there is something to be calebrated in this centenary anniversary something absent from London's Brixton or New York's Bronx. Brixton or New York's Stonk.
It is hard to pin down. But the clues suggest that it lies in the positive. If e-endersing carnival spirit - the celebration of the multi-coloured Brazilian family - that annually unites even the sunfest white man with his most impoverished black brother.

Bitter black radicals argue that taining the status quo.

Like Freyre before him, Mr da
Matta identifies deep-rooted roleplaying and the respect for function and title as a crucial cause of
tion and circuses
ment to maintain its power. But
it equally can be said that Carni
tion and title as a crucial cause of
taining the status quo.

Generals absolved on US bank write-offs human rights charges criticised

THE ARGENTINE Supreme cutor, Mr Andres d'Alessio. Presarmy officers of responsibility for

tre banks are both undercapital-ised and underregulated and a ruling that two generals and a colonel from the Third Army Corps are now absolved under tional \$28bn (£14.9bn) in uncollectable foreign loans, according to a new two-year study produced by Congress's General Accounting Office.

The study, by the investigatory arm of Congress, was described as "an audit of the auditors" by lowa Congressman Jim Leach.

ston-making capacity to question or change orders issued by their commander, General Benjamin Menendez. Gen Menendez still has to face trial on numerous Menendez. Gen Menendez still has to face trial on numerous counts of murder and torture. He said it could be inferred

that the record first-quarter profits recently announced by banks with large overseas lending were misleading. "These institutions should probably write off loans this wear of a greater magnitude." Argentine Congress in June last year, which exonerated only junior and middle-ranking offithis year of a greater magnitude than they did last," he said.

The GAO concluded that the \$21.1bn written off in foreign cers, but not senior officers, in charge of military operations oans thus far should have been this period, prisons and torture centres were operated and over can banking system was more viable than it was five years ago. However, the smaller banks were

Court has absolved two senior enting the Government's view on the future course of human human rights violations, apparnity yielding to political pressure from the Government.

The court yesterday sustained
a military to that military commanders of sub-zones
of their superiors.

The same argument was made by serving military chiefs last colone: from the little Allay of several law was being the law and did not have decision-making capacity to question that first the Government, and or change orders issued by their now the highest court in the commander, General Benjamin country, have effectively bowed to the commander of the country of the commander of the country of to military demands.

The "due obedience" law itself

counts of murder and torture.

The ruling is apparently in direct contradiction to the "due obedience" law passed by the by ex-Colonel Aldo Rico. It is probable that the new ruling will now be extended to other outstanding cases, leaving fewer than a dozen senior officers to face trial from the 40 to 50 who zones and sub-zones during the were not absolved last year "dirty war" of 1976-83. During under the "due obedience" law. The Supreme Court ruling becomes even more contentious with this week's extradition from 9,000 people disappeared. with this week's extradition from The Supreme Court ruling follows closely a recent judicial Suarez Mason on 39 murder stronger than the bigger ones interpretation by the State Prose-charges

WORLD TRADE NEWS

Moscow faces an uphill struggle in improving its trade balance with the region, Robert Graham reports

Soviet Union quietly alters policy towards Latin America

company in bid to boost production

China VW

THE Shanghai Volkswagen company has become the first foreign joint venture to receive permis-sion to issue bonds to the Chinese public in an attempt to raise funds for an increase in produc-

Agreements were signed yesterday for the Yuan 29.5m (£4.4m) option of cutting back on imports issue, which was apparently approved quickly by the People's Bank of China, the central bank, even though the project has been even though the project has been criticised by some Chinese autopolitical objectives, has been mobile officials for its slowness replaced by a much more pragin localising production.

The bonds, to mature in three

years, are split into two classes, with Yuan 19.5m to be issued to individuals at an interest rate of place greater emphasis on per cent, but will have priority in purchasing a Volkswagen San-tana, for which there is a long

Numerous Chinese banks and issued bonds internationally and domestically, though the Volkswagen venture is, according to the company, "the trendsetter not only for motoring, but also for financing"

BY DAVID MARSH IN SONN

WEST Germany exported \$5.55bn (\$51.5bn) and France (\$20.5bn), (23.6bn) worth of arms during according to the agency's figures. The West German Economics sales going to Latin America, the Ministry, in a recent parliamentary in a recent parliamentary and the company. investment corporations have for financing". Shanghai Volkswagen hopes to

achieve a local input of 30 per cent by the end of the year, when report of the US Arms Control annual production is expected to reach 15,000 vehicles, up 50 per cent on last year. Project officials predict that in 1990 it will pro-duce between 30,000 and 60,000

Helsinki-Peking non-stop flight is refused

By Olil Virtanen in Heisinki

FINNAIR, Finland's national airline, will not be permitted to inaugurate the non-stop flight Britain's, put at \$5.11bn, but well between Helsinki and Peking at behind those of France (\$20.1bn), the beginning of June, say Chithe US (\$23.5bn) and the Soviet nese officials.

They have not elaborated on the refusal but one reason could' be the construction work at sales abroad between 1982 and Peking international airport.

The opening of the new route among major weapons exporters was originally scheduled for with Britain (\$6.9bn) and China early April but the Chinese (\$6.5n). The world's main overall

FACED with an abysmal trade imbalance with Latin America, the Soviet Union has been quietly altering its policy towards the sense an assessment by the Soviet Union has been quietly altering its policy towards the sense an assessment by the Soviet Union has been to the seven accustomed as they have been to the Soviet Union buys seven leadership under Mr Mikhail Cor. region. The changes are occur-ring with the slowness of a transatlantic liner altering course; but the broad lines are becoming increasingly discernible.

Moscow, however, faces an uphill struggle in improving its trade balance with the region and the quickest solution to the problem might be the rather negative

from Latin America. The Soviet Union's traditional policy, whereby commercial conaid and financial flows. matic line, aimed at achieving

more balanced trade.

At the same time the Soviet leadership seems anxious to

sent an assessment by the Soviet leadership under Mr Mikhail Gor-hachev that its principal interest in future in Latin America is more economic than political.
At another level, the new approach underlines the fact that the Soviet Union can no longer afford the luxury of large trade imbalances. Cuba and Nicaragua are the sole countries with which it enjoys a favourable trade balance; but this does not favour by Mexico and Venezuela. Moscow because of the drain in

regime in Cuba. Latin America is the one continent where Moscow has not established itself as a sig-

nificant arms supplier.

Apart from Cuba, the sole arms deals of note since the beginning 10.5 per cent, and Yuan 10m improved commercial relations of the 1970s have been with Nicablaced with corporations, which with the main economic powers ragua and Peru. Deprived of significant arms sales, the Soviet Union among the "bourgeois" of the 1970s have been with Nica-

economies of Latin America. In Brazil, for example, where accustomed as they have been to the Soviet Union buys seven Western technology and stan-times more than they sell.

money for new water projects

such as dams, harbours or irri-

Soviet oil might have been the necessary permission to expand answer, although the region is its consular staff. In Bolivia, the relatively self-sufficient (except Soviet Union invested heavily, for Cuba). Even Brazil, which providing plant and machinery to buys some Soviet crude, is mov- the mining industry in the 1960s ing close to self-sufficiency. In and early 1970s, in the hope that addition, cheap oil is provided to the Bolivian miners would be the the most needy nations of Central America and the Caribbean letariat. Now much of that

As a result, the Soviet Union has developed substantial trade Putting aside the unique Soviet imbalances, especially through relationship with the Castro its purchases of commodities such as coffee, cocoa and grains. These imbalances have been tolerated, it seems, out of a mixture accumulated.

Moscow still cannot obtain the letariat. Now much of that machinery is idle and Bolivia is undergoing the region's most radical experiment in free-market

in the case of Argentina and Brazil, the imbalances have been exceptionally large. Before 1986 Moscow was purchasing an annual average of \$1.5bn-worth of of inertia and a fondly-held belief annual average of \$1.5bn.worth of that political capital was being Argentine grains and animal foodstuffs, but was selling goods worth well under \$100m. Furthermore, Moscow was rarely able to avoid payment in hard currency, line with Cuba over aid and eco-



Gorbachev: new approach

ter deals, except in Nicaragua time cries of foul.
and Peru, both of which had
Last year the bought arms. The change in Soviet attitudes can be traced to 1986 when

greater accountability. through joint ventures. From the outset, Mr Gorbachev trade and barter deals. appeared determined to avoid being bogged down by Cuba and whole. He was also prepared to be hard-headed over trade.

Argentina were cut by almost one third in value. This was partly the result of improved Soviet harvests but also because the Soviet leadership could buy or offset payments through barwas willing to put up with Argen-

Last year the grain tonnage crept up to just over 3m tonnes but this must be seen against the its trade balance, the quickest traditional purchases of 8m-9m More generally, the Soviet region.

nomic management. The Soviet Union has cut back on Latin Union, which supplies some \$4bn American goods purchased on a a year in economic and military cash basis. At the same time, assistance to Cuba, demanded greater accountability.

So far, Brazii has received the greatest attention: Soviet sales to resist being too heavily drawn there last year topped \$83m, into the conflict in Nicaragua in order to adopt a more evenaim is to raise bilateral trade to handed attitude to the region as a more than \$1bn within the next three years.

One of the most interesting In 1986, Soviet purchases from deals just concluded involves the shipping of vodka in bulk to be bottled in Brazil But too much of what the

Soviet Union has to offer can be produced by the Latin American countries themselves, especially the larger economies - the growing indigenous arms industries

means appears to lie in further cutting purchases from the

Bonn arms exports 'top \$6.5bn'

WEST Germany exported \$5.55bn (\$51.5bn) and France (\$20.5bn), Prime examples of arms pro-Middle East, and Turkey, according to US government statistics.

and Disarmament Agency, put West Germany's arms exports to developing countries, including Turkey, over the period at

The statistics, much more detailed than those released by Bonn, underline how the Federal Republic has become a major weapon supplier to many countries, despite its traditional restrictive policy on arms exports, which formally rules out sales to areas of conflict.

West Germany's developing country arms sales during the period were higher than

Union (\$78.7bn). Overall, West German arms authorities, referring to the con- weapons exporter during the

tary answer, said the country's arms exports amounted to an average DM2bn a year between

The ACDA report named 33 non-Communist developing countries as recipients of West German arms during 1982-86, many of them for only relatively small amounts. Argentina headed the list with \$1.4bn-worth of deliveries, followed by Turkey with \$850m, Colombia with \$675m and

Greece, Spain and Turkey are all classed by ACDA as develop-ing countries although they are in Nato. West Germany's Nato deliveries over the period were put at \$1.99bn, with sales to the US of \$460m.

The ACDA figures include so-called "dual use" goods with both civilian and military applications, when they are intended for a clear military purpose by the recipient. The figures from the Econom-

overall role in world arms sales.

important amounts of West Ger-

This is above all because

structed with Britain and Italy, which has been sold to Saudi Arabia and Oman, and missile systems sold via the French-led Euromissile group. Mr Hanns Arnt Vogels, chairman of Messerschmitt-Boelkow-Blohm, the leading West German aerospace and defence technology group, said recently that Bonn's arms export policies were

duced by such partnerships are the Tornado fighter-bomber con-

less restrictive in practice than they often appeared. "For domestic policy reasons the Government will always push into the foreground this formal restrictive policy, although in large parts of the world – either as a result of European partner-ship accords, or because of the opening of certain regions in South East Asia – it does not work out in practice as especially

restrictive," the MBB chief said. MBB is paying particular attention to promoting armaments deliveries to South East Asia. Since for export authorisation purposes Bonn treated this part ics Ministry and the ACDA of the world as similar to the underestimate West Germany's Nato area, Mr Vogels said he did not believe there would be political problems over, for example, military helicopter sales to South man weapons equipment are sold Korea, India, Thailand or Indon-

Third World presents plan to scrap MFA

THE DEVELOPING countries large quotas for their exports, have presented in the General and others seeking to expand Agreement on Tariffs and Trade a blueprint for dismantling the Multi-Fibre Arrangement, which governs world trade in textiles and clothing, and for integrating on textiles under Gatt's Uruguay

ne proposal is, however, less specific than an earlier one from Pakistan, which spelt out a five-year framework for demolishing the MFA.

The learning body for developing countries. The lack of detail reflects dif- would be brought about by freez-

ferences within the Third World ing restrictions at their current group between countries, such as level, then by reducing the prod-Hong Kong. Taiwan and Korea, uct coverage and graduallly currently enjoying relatively relaxing and removing the

Tabled recently by the International Textiles and Clothing Bureau in the group negotiating Round, the proposal sets out the

their markets.

to market disruption to justify

protection, would next be elimi- of cotton sheeting.

labour costs were no longer a sig-nificant competitive factor. Com-

restrictions.

MFA concepts and practices incompatible with Gatt, such as price discrimination and appeals of carded cotton year and the second lowest (after South Korea)

The Gatt principle of more favourable treatment for developing countries would be applied to trade in textiles and the MFA at this stage of the Uruguay Round. trade in textiles and the MFA Many want first to see results would be "terminated" on a date from other negotiating groups, to be agreed the FTCB paper pro-Pakistan presented evidence that developing countries' low allows countries to resort to in

Free trade blow to Canada discounted

BY PETER MONTAGNON, WORLD TRADE EDITOR

FEARS of a major exodus of for- by President Reagan and Mr ated, according to a study published yesterday by the respected C.D. Howe Institute in Toronto. nies to relocate south of the border and provoke an investment

critics of the agreement signed

eign-owned companies and capi- Brian Mulroney, Canadian Prime tal from Canada in the wake of Minister, at the turn of the year. The study, written by Professor The study, written by Professor ment have been much exagger. A.E. Safarian of the University of Toronto, warns that some sectors and workers will be under considerable competitive pressure The risk that elimination of for a time after the agreement tariff barriers will prompt compa-enters force, and some divestment will occur but this is unlikely to result in a net out-

outflow has been widely cited by flow.

reason why companies choose to establishment of the Common locate in certain markets and the Market and smaller countries impact of the agreement will be engaged most aggressively in

Moreover, experience shows competitors. that free-trade agreements tend

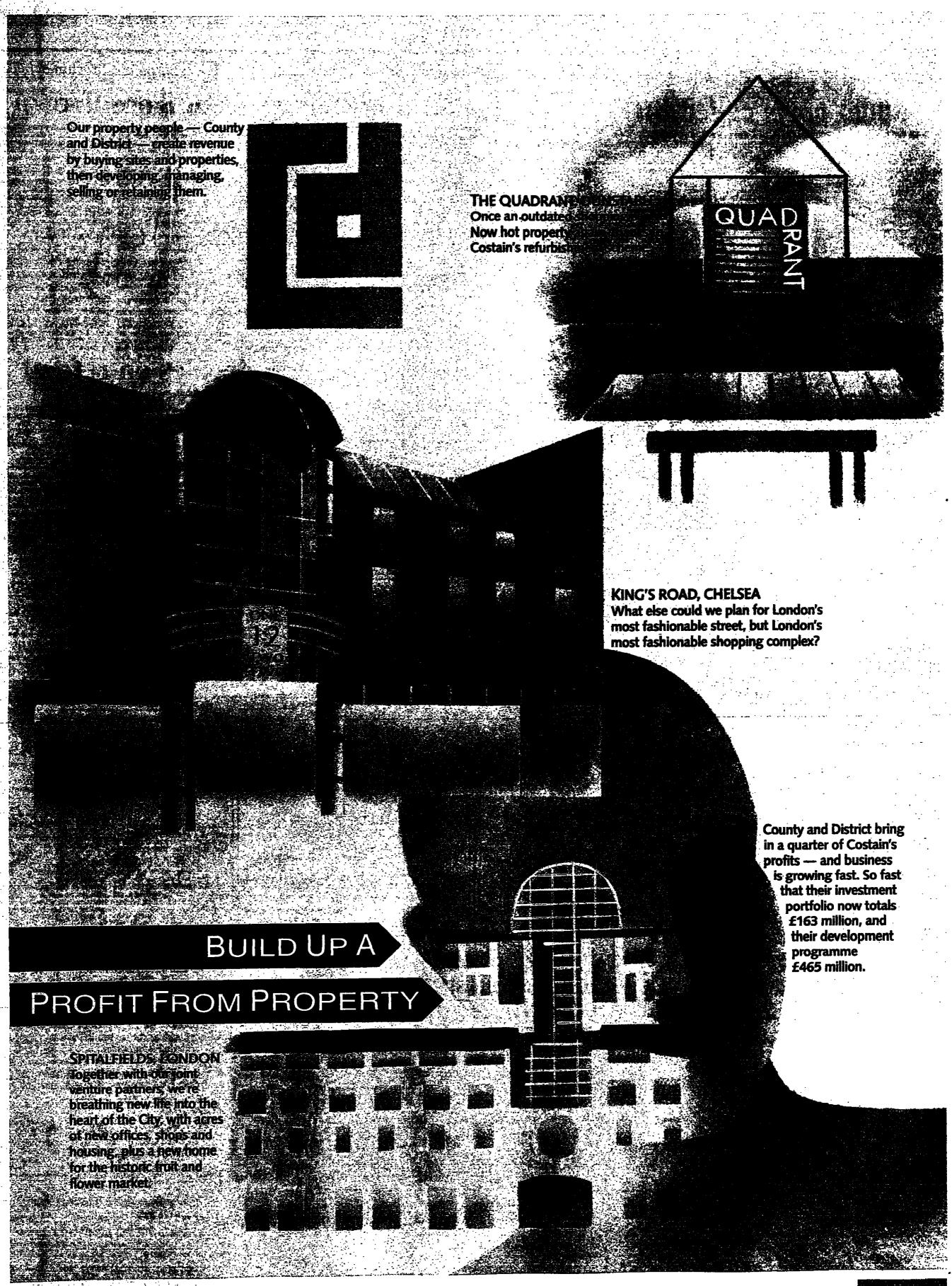
to make Canada a competitive acquiring "lith-column" invest-source for a wide range of manu-factures.

The Canada-US Free Trade to lead to increased competition Agreement and Foreign Direct and therefore increased investment, Prof Safartan says. Over A.E. Safarian, 16 pages. From tow.

Seas and intra-European invest- C.D. Howe Institute, Toronto, ment grew in Europe after the Canada.

authorities, restriction, suggested June 2 as period was the Soviet Union, man weapons equipment are sold the new date.

(\$87.4bn), followed by the US via consortia based abroad.



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Truck drivers' blockade of Channel ports called off

BY JIMMY BURNS IN LONDON AND LAURA RAUN IN AMSTERDAN

THE BLOCKADE of ports by drivers on both sides of the Channel between England and France ended yesterday as the National Union of Seamen admitted a major setback in its 15-week ferry

It ordered its members to abandon secondary action in support of their P&O colleagues.

The move, ordered by the NUS national executive meeting in Hull, in north-east England, came after hundreds of striking seamen employed by Sealink, one of the two major UK ferry opera-tors, broke union ranks and began to drift back to work. It also came against the back-

ground of mounting claims for damages, fines, and legal costs projected by the union's solicitors to be in the region of £2.3m.
This is only slightly less that the £2.8m of assets held by the NUS and in the hands of seques-trators as a result of earlier

stewards, said: "We all knew this day had to come... We must recognise the strength of feeling for a return to work, particulalry

return to the High Court in London either today or early next since the start of the dispute, was week to purge his contempt in a scheduled to depart last night for move that is expected to lead to Zeebrugge, Belgium before sailthe lifting of the sequestration ing onwards to Dover.

However, the NUS tactical to continue operating two ferry retreat is unlikely to heal the ships, which sailed out from Rot-deep divisions within the union terdam two weeks ago, between which are likely to surface at a Dover and Zeebrugge. mass meeting of seamen in Dover today and at the union's biennial indirectly connected with the conference due to begin in Hull NUS. We no longer recognise the

the ferry sector returning to full company spokesman said.

Road hauliers and harbour normality were further dampened yesterday when the NUS authorities who have been most

it called for mass picketing at cross-channel ports would con-

in a tax haven.

new joint venture.

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ances from seamen's union

the port in support of more than 700 seamen sacked by the comaction taken by Sealink.

Mr Sam McCluskie, NUS general secretary, who less than 48 hours earlier had rebuffed a peace offer from Sealink at a ing in defiance of the NUS by

ing in defiance of the NUS by preparing to put to sea its third ferry crewed by strike-breaking According to Groof & Co, the shipping agent for P&O in the Dutch port of Flushing, the freight ferry European Trader, which has been berthed there since the extret of the digrate was

P&O. meanwhile, is intending

on Monday. closed shop and there is nothing Hopes of industrial relations in that is going to change that," a closed shop and there is nothing

pledged to continue its dispute hit by the dispute welcomed yes-with P&O Ferries, the major UK terday's breakthrough, but gave cross-channel operator.

Coal miners compete for colliery contracts

By Maurice Samuelson

tinue while the P&O dispute

union officials and appealing directly to its seamen to return to

work by a deadline of midday

But yesterday's decision by

NUS leaders to call off secondary action led to a positive response

from the company. Sealink said it would not

return to its previous offer. This

would have involved immediately putting two additional ferries on

its Dover-Calais route and mak-

ing available temporary employ-ment to 450 seamen sacked by

However, he said P&O strikers

were welcome to apply for 180 summer jobs on an extra char-

tered ferry ship expected to be operating within 10 days. Sealink, which has lost £3m

because of the P&O dispute, said that although it would be seeking

cost-savings in the run-up to the

opening of the Channel Tunnel it intended to continue to recognise

the NUS as an "effective bargain-

ing unit."
The company's chairman Mr
James Sherwood claimed that

P&O was having "great diffi-

ucity" in resuming its services

with strike-breaking crews and that those that had so far been

recruited were largely catering

staff with little experience of

He blamed P&O for unneces

sarily provoking the ferry dispute

by demanding the immedeate

implementation of new crewing arrangements instead of opting

Mr Sherwood said he had per-sonally been assured by NUS offi-

cials that they were prepared to accept more flexible working

arrangement and cost-cutting

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remained unresolve

TEAMS OF MINERS at Notting-hamshire, in the English Mid-Continuing conflict between P&O and the NUS contrasted yesterday with the announcement of a tacit alliance between Sealink lands, are earning thousands of pounds from weekend contract work in their collieries - in addi-Sealink on Wednesday hard-ened its position in the dispute tion to their regular wages and bonuses. by appealing over the heads of

The system officially exists only in Nottinghamshire, where the Union of Democratic Mineworkers has been the majority union since the coalfield refused to back the 1984-85 miners' strike. Similar arrangements are becoming common in other parts of the industry, in spite of being contrary to the policy of the National Union of Mineworkers. Mr Kim Howells, research officer of the South Wales NUM, said that if the system continued to spread. "the Coal Board will simply become a leasing operation and the whole thing will be priva-

tised through the backdoor."

The teams who win these con tracts tender for them to British Coal which compares their price with the cost of using outside labour. The system, known locally as ad hoc contracts, has been operating under an official agreement worked out last year by the corporation and the UDM.
In the biggest Nottinghamshire pay-out to date, £80,000 was

earned by a team at Bilsthorpe colliery for sealing off an aban-doned coal face and salvaging its expensive equipment for another part of the pit. One man earned £3,700 and more than 20 others earned nearly £3,500 each. The large amounts were deter mined by the speed with which the work was completed - only

19 weeks, compared with the 30 weeks British Coal expected. In another Nottinghamshire pit, bonuses of £1,500 were recently paid to weekend workers who developed a new coal face in only 16 weeks, compared with the six months which management would have expected in normal working hours. To earn that money, the development team operated in three shifts a day for seven days a week.

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Michael Cassell examines changing faces and political fortunes

Steel withdraws from front line

MR DAVID STEEL, formerly leader of the Liberal Party, last night confirmed his withdrawal from the front-rank of British politics by announcing that he will not stand for the leadership of the Social and Liberal Democratic Party, the party formed from the merger of the Liberals and the majority of the Social Democratic Party, Mr Steel ended months of spec-

ulation about his political future when he told the local party executive in his Tweeddale, Ettrick and Lauderdale constituency in Scotland that he would not put his name forward for the July

successor. He believed the election contest and the choice of a new leader would provide a posi-tive stimulus for the Democrats.

He stressed he was not "bow ing out" and intended to remain an active MP at the service of his ive stimulus for the Democrats.

Mr Steel claimed there were several people well qualified to lead the party and confirmed that he would, alongside Mr Robert

maciennan, the MP for Caithness and Sutherland, remain interim, joint leader until the election result was known.

He said the only only factor forthcoming election campaign, forthcoming election campaign, the Mr Ashdown could have beaten Mr Steel if he had decided to taken to imply that he will not to stand.

not to reach out for the leadership baton of the Social and Liberal Democrats represents a personal acknowledgement of political fatigue and reflects his deep-rooted conviction that younger legs will be needed for the next stage of the race.

Despite all the recent agonis ing over his political future. Mr Steel's underlying inclina-

tion to stand down, after nearly 12 years as Liberal leader and two months as joint leader of the progressive, cen-tre-left party he helped create, has won through.

tic acknowledgement that the new party needs a fresh figure-head if it is to rekindle electoral popularity and, ulti-mately, lead the Democrats to

His recent stature within the party may well have been badly damaged by the debacle over the pre-merger policy doc-ument from which the joint leaders were forced to retreat after widespread horror at its contents among some Liberal MPs. It was a tragi-comedy for which the Liberal leader's alleged lack of interest in policy detail was held largely



Mr Steel (left) leaving the field to favourite Mr Ashdown. Maclennan, the MP for Caithness was strong pressure to stay on



endorse any of the cardidates.
As Mr Steel's decision was being announced, arrangements were in band to organise the leadership campaigns of the two most obvious candidates. Mr Paddy Ashdown, the MP for Yeo-vil, and Mr Alan Bekh, the MP

for Berwick-upon-Tweed.
Formal decisrations by leadership candidates will not be madeuntil June 1 and other contestants, who must be drawn from the parliamentary party, could still decide to stand.

Mr Ashdown will begin the contest as the clear favourito among Democrat party members, although he does not command. majority support among his kil-

A poil of 803 Democratic councillors carried out this week for ITV's "This Week" programme gives Mr Ashdown 67 per cent

Genial general decides on retreat

MR DAVID STEEL'S decision

Mr Steel will not regard his decision as a recognition of personal failure, more a realis-

prepares to shift yith the second bench ouse of Commons make way for his my miscalculations gments Mr Steel de while trying to the day to be seed a way and form a Social Democratic Party which, with the Liberals, could offer an appealing, centre-ground option to the electorate.

The Alliance which followed was put to the test in last But as he prepares to shift further along the second bench below the Honse of Commons gangway to make way for his successor, any miscalculations and misjudgments Mr Steel may have made while trying to was put to the test in last superimpose order upon his year's general election and anti-authoritarian party will not cloud his contribution to

failed miserably to produce the sought-after breakthrough at centre-ground politics. His aim has remained conthe polls. The dual leadership, combined with the obvious uncase which characterised the relationship between Mr sistent since he was first elected to Westminster in 1965 aged 26. He was at once recognised as having political flair and courage, qualities underlined with the successful pro-Steel and Dr David Owen, the SDP leader, confirmed the Liberal leader's belief that merger presented the only tenable motion in 1967 of his bill to legalise abortion, and endorsed His conviction was, and in 1976 when he became party remains, that union before the

leader after his predecessor Mr Jeremy Thorpe resigned. His quest, in the footsteps of seen the new party beat Labour into third place, to assume the role of principal Mr Jo Grimond, the father of post-war liberalism, to estab-lish a realignment of the left, In the last phase of his effort to substitute the politics of power for the politics of pro-test, Mr Steel had again dem-onstrated the political cutting-edge which his contract armital led him into the short-lived deal of 1977-8 with the Labour party, the so-called Lib-Lab pact. Its principal achievement, however, was to prolong the life of the Callaghan Government. Mr Steel was criticised for not having wrung maximum advantage from his one and only chance to exerresponsibility for the last-min-nie merger shambles, his clos-est colleagues believe the whole package would have colcise real power.

Before long, however, he was actively encouraging Mr Roy Jenkins and his Labour lapsed without his political agility and experience. In the event, the day was saved and it was Dr Owen, the man portrayed as the dominant partner in an embarrassingly unequal relationship, who was

decisively isolated. As he goes, pledging to remain an active and enthusi-astic Democrat MP, Mr Steel astic Democrat MP, Mr Steel can claim be has Imally put into place a fully accountable, decentralised and broadly-based party, still capable of enjoying its diversity but having placed realism on an equal footing with idealism.

Despite some voices protesting that Mr Steel had in the end betrayed the Liberal cause, most of his colleagues believe he has been a good

believe he has been a good general, marshalling slender resources and using them to maximum advantage. They admire his tenacity and profes

But with only 21 MPs under the existing electoral system and a depressingly low stand-ing in the polls – the latest Marplan opinion poll gives it only 7 per cent against 23 per cent for the Alliance parties in the last general election – the new party seems in many ways as far from its objectives as ever, a thought which must regularly have crossed Mr Steel's own mind.

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CONSOLIDATED FINANCIAL STATEMENTS AS OF 31ST DECEMBER 1987

Notice is hereby given that Benetton Group's consolidated financial statements as of 31st December 1987, audited by Arthur Andersen & Co. S.a.s., may be obtained upon request from:

- the Company or

any of the Italian Stock Exchanges.

Benetton Group S.p.A.

United Biscuits to shed 1,000 jobs in plant closure

last election might well have

edge which his outward genial-

ity and relaxed good humour

often obscures.

Even though they accepted he had to shoulder some of the

UNITED BISCUITS, one of quality and service from other Britain's largest food manufacturers in a glutted marturers, is to close its 48-year-old ket, he said. Halifax biscuit works with the

Production will be transferred

tion director.

BY CHRISTOPHER PARKES, CONSUMER INDUSTRIES EDITOR

No jobs would go for six loss of almost 1,000 jobs.

The factory, part of the KP
Foods subsidiary, makes mostly
own-label bourbon and custard

No jobs would go for six
months, some job losses would be
achieved by natural wastage,
some workers would be offered
some workers would no six months, some job losses would be
achieved by natural wastage,
own-label bourbon and custard some workers would be offered positions elsewhere in the group creams for supermarket chains and an advisory service would be and the Choc Dip children's set up to help others find work.

The closure was expected. The to other works, where up to 350 group still had too much capacity jobs could be created by the time in 1983, when it announced its the Halifax plant is shut at the Liverpool factory had to shut end of next year, according to Mr with the loss of 2,000 jobs. The Howard Brookman, KP's produc- situation has since been worsened by the increasing activity of The company had tried to with-stand rising pressure on prices, ket.

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When the Japanese wanted advice on cellphones, they thought of Cellnet.

Which is why they asked us to act as consultants when they decided to set up a new cellular phone system. It had to be the best in the world.

It will function on a similar specification as the one used in the Cellnet UK network.

They couldn't find a more perfect model.

We now cover over 90% of the country and no one has more experience of cellular communications.

We have divided the country into a large number of small cells. Each one is controlled by a transmitter.

This connects the cellphone calls made in its area to a digital exchange, which is purpose built to our own design.

These exchanges switch the call either to another cellphone or to the landline phone system as necessary which enables you to contact any phone in the world.

In densely populated areas such as city centres, extra capacity and quality are guaranteed.

This is achieved by dividing up each cell into smaller sectors.

Each of these can perform like a single cell.

This special four cell repeat pattern is another example of Cellnet's advanced technology. And another reason why we are the acknowledged world leaders.

Whatever type of cellphone you're considering-a car phone, a pocket mobile phone or self-contained transportable-Cellnet provides a host of additional advanced services. Including taking and sending messages. Personal

operator services. Direct links with your office extension. Mobile transmission of data. Faxes and a full 24 hour information service.

Post the coupon or phone us now on 0800 424 323. It's what the Japanese would suggest.

To Cellnet, Freepost, Conrad House, Birmingham
Road, Stratford-upon-Avon, Warwickshire CV37 OBR.
Please send me a Cellnet information pack.
Name
Company
Position
Address
Telephone NumberTHECELIPHONE NETWORK

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: 121.27**16**

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UK NEWS

Pargesa Holding SA

Notice is hereby given to shareholders of an

Annual Ordinary Shareholders' Meeting

to be held on Friday, May 27, 1988, at 11.30 A.M. at the Head Office of BANQUE PARIBAS (SUISSE) S.A. 2 Place de Hollande, Geneva (Switzerland)

To consider following items:

- 1. Report of the board of Directors, presentation of the Financial Statements for the fiscal year ended December 31, 1987, and Auditor's Report.
- 2. Discussion, approval of said Reports, and proposals to allocate the net profit.
- 3. Release and discharge of the board of Directors.
- 5. Appointment of the Auditor.

Shareholders may obtain entry cards to the Shareholders' Meeting at the BANQUE PARIBAS (SUISSE) S.A., UNION DE BANQUES SUISSES, SOCIETE DE BANQUE SUISSE and CREDIT SUISSE, from May 13 to 26 until noon, depositing their shares or a receipt for such deposit with another bank.

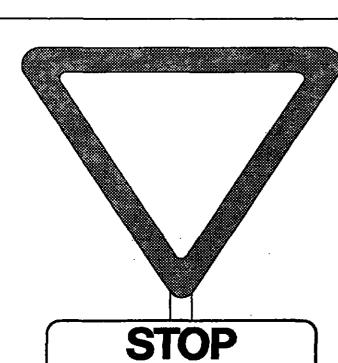
The Annual Report, including the income statement, the balance sheet, the Auditor's Report, the proposals by the board of Directors regarding the allocation of the fiscal year's net profit, is available to the shareholders at the Head Office and subsidiaries of the aforementioned banks.

Geneva, May 2, 1988

For the board of Directors

The President G. Eskenazi

The Secretary S. Tapernoux



Why let Corporation Tax and V.A.T. Penalties deter you from the benefits of Contract Hire?

At Last a Fleet Contract Option that's Truly The advantages of quality contract hiring are well

Unhappily, to date many organisations have been unable to claim these benefits. Either they've been running cars which are valued over £8,000, with resultant corporation tex disadvantages, or

have been in those business sectors unable to fully recover V.A.T.

To overcome these tax disadvantages Swan National Leasing have devised TAX-SAVER, THE CONTRACT PURCHASE SCHEME.

Call us now. We'll show you how to obtain all the fully underwritten benefits of a top quality contract hire service, but with all the tax savings.







SOCIETE INTERNATIONALE PIRELLI S.A.

International Pirelli N.V. - US \$ 40'000'000 63/4% Guaranteed Notes due 1988 Guaranteed by and with Warrants attached to subscribe bearer participation certificates of

In accordance with clause 6-xi of the instrument dated 15th June 1983 relating to the above-mentioned bond, notice is hereby given to the Warrantholders that the 14th June 1988 will be the

BANK OF ENGLAND REPORT

Western output 'set for 3% rise'

OUTPUT OF the biggest Western countries is expected to expand by nearly 3 per cent this year and inflation should remain subdued, the Bank of England says in its latest assessment of the world

economy.

The Bank warns, however, that growth is expected to slow in the second half of the year and that the existence of large trade imbalances is a source of tension which continues to make financial markets nervous and the pro-cess of policy adjustment diffi-cult.

Current policies by the US, Japan and West Germany, are leading to some correction in their respective trade imbalances, with demand in the US
growing at a slower rate than in
Japan and German.

But this process may not

prove strong enough; it is desirable that it should be reinforced by appropriate policy measures mean sustaining domestic in order to avoid unnecessarily demand growth in Japan and sharp adjustments in exchange Germany while in the US it

markets could damage business efforts to promote a higher rate

Percentage changes	Estimate 1987	Forecast 1988	1989	1990
Demestic demand of which:	3.3	2.8	1.9	2.1
Private consumption	2.5	2.4	2.0	1.5
Private fixed investment	4.0	5.2	2.2	3.1
Public expenditure	2.4	2.8	1.9	2.1
Stockbuilding(b)	0.5	-0.3	-0.1	0.1
Net external demand(b)	-0.4	-0.1	0.1	-
GNP(c)	2.9	2.7	2.0	
2.1				

confidence and could worsen fur-

ther the fragility which has become apparent in the US financial system in recent weeks. Appropriate policies would

ates." would require further measures
Further volatility in exchange to reduce the budget deficit and

The Bank says such policies might become a reality under the next Administration, thereby holding out little hope that the Reagan Administration that the Reagan Administration ever, likely to be more durable, will address them in its remaining months in office.

France, Italy and Canada - is in line with the international Monetary Fund's recent forecast, it says that the extent of the projected slowdown in activity is disguised by looking at the year-on-

year growth rate forecasts.
The economies expanded their output by about 3% per cent in the last quarter of 1987, but the Bank expects their output to rise only 1% per cent in the year to the fourth quarter of this year.

The alackening in growth later in 1983 reflects in part the composition of demand in 1987 where there was a large rise in stocks. This may have been involuntary and may lead to a correction in production this year.

Consumption may also weaken in North America, due to the

in North America, due to the lagged effects of the October to raise savings ratios.

Growth in investment is, how-

ing months in office.

Although the Bank's key forecast for the big economies — the US, Japan, West Germany, grow by about 2 per cent.

Doubts over data cloud UK growth picture

THERE ARE signs that Britain might be returning to a more sustainable rate of growth, but the outlook is clouded by the unreliability of economic data, the Bank of England said in its

The Bank which had on pre vious occasions noted that the economy was expanding at an unsustainable pace gave a more positive assessment of

Although the current mix of monetary policy is clearly not to the Bank's liking – it would prefer to see interest rates higher and the exchange rate at a lower level - it believes that monetary policy is tighter than it was and that policy is

bearing down on inflation. Simulations on the Bank's model of the UK economy sugrate will have a beneficial effect on recorded inflation and that it will also serve to margins.
The tone of the Bank's

assessment and commentary on the UK suggests that it has moderated slightly some of its past concerns, such as wages growth and the rate of increase of the monetary

In the past it has reserved its more forceful observations for developments in these

areas of the economy.

The Bank says that overall economic activity in the UK remains strong but identifies signs of a slowdown in the fall-off in manufacturing output and exports in recent This judgment is more than

usually clouded by changes to the documentation of trade and what was probably and a erratically large fall in industrial output in February. However, it believes that these problems are probably

exaggerating the trend not pointing to a false one.
"Some slowdown had been expected, and the balance of evidence does not suggest any more than this expectation is being fulfilled," it said. In February the Bank

expressed its concern over the pace of pay settlements in the In its latest assessment it says that there are signs that pay settlements in manufac-turing may be stabilising at around $5l_2$ per cent $-l_2$ per cent to 1 per cent higher than

Financial advertising and the

interests of small investors

year ago – while elsewhere in the economy settlements are averaging around 6½ per cent.

It also points out the effect
of overtime payments on anderlying earnings growth.

Last year overtime inflated
underlying earnings by 1 percentage point, which, if
stripped out, would mean that
the underlying growth in earnings in manufacturing last year reamined broadly

sised that the growth in earn-ings meant that the sustained improvement in output and productivity recorded last year only allowed for a very limited improvement in competitive-

"Indeed local currency relative unit labour costs worsened by 2½ per cent in the fourth quarter of 1987."

It notes further that even if output and prodctivity were to continue to grow this year the current level of underlying earnings in conjunction with a firmer exchange rate would reinforce this loss of competi-

On other domestic trends it notes that personal consump-tion is still strong and has

authorisation of certain financial advertisements failed to elicit firm answers from speakers such as Mr Tim Miller, managing director of Framlington Group, or

Mr Martin Vile, director of the

SIB's intermediaries division. Financial "tombstone" adver-

tisements, as a matter of record only, would probably not be

treated as investment advertise-ments, it emerged. But uncer-tainty still shrouds the treatment

of announcements of a compa-

Associations and Unit Trusts

that the definition of an adver-tisement covered essentially

had been established had built in stresses which could lead to inef-

fectiveness and early crisis. Rule books would have to be revised

in time, he suggested. In the

months ahead, there could be a major problem in maintaining a

measure of consistency between

the practices of the SIB and the

Mr Mark Boleat, director-gen-

eral of the Building Societies Association, doubted whether the

SIB had achieved protection of

been buoyed by the growth in earnings, employment and a fall in the savings ratio. The underlying trend in retail sales is buoyant. Rising employment and real earnings

have also given a fillip to house prices.

A beneficial side effect of this has been a recovery in housing construction, which in January, was at its highest level since 1978.

A continuation of this rate of growth would, however, increase the stock of housing in the UK by 1 per cent, which would have only a minor effect

on house prices. Elsewhere, the Bank attempts to answer the concerns in domestic financial markets over the rapid rise in

the monetary aggregates by saying that they have been distorted by a number of factors.

The growth in broad money, M3, was boosted significantly by "round tripping" earlier in the year, as companies took the opportunity to make money from the difference between borrowing and lendbetween borrowing and lendng interest rates. Also, figures for the narrow

measure of money, M0, were distorted by Easter.

Cut in chip output to **cost 400** Philips jobs

BY TERRY DODSWORTH

PHILIPS Components, the UK subsidiary of the Netherlands-based Philips electronics group, is planning to end most of its semiconductor production at its Southampton plant, on the south coast, with the loss of about 400

ny's annual or interim results.

Mr Miller, chairman of the The move is part of an interna-tional reorganisation of the group's component activities. advertising committee of the Life Philips has recently been investing heavily in semiconductor manufacturing a field in which it is the leading West European producer. But it said yesterday Regulatory Organisation, said "every piece of printed material produced."

Mr John Morgan, chief execu-tive of the Investment Managethat the Southampton facility was now outdated, and would require between £150m and ment Regulatory Organisation, also suggested that the way in which the regulatory structure £200m to modernise.

As part of the reorganisation. however, the Southampton facil-ity will become the group's centre for the design and development of semi-custom chips.

This will demand new invest ment in design processes and engineers, but not enough to compensate for the loss of jobs.

The plant today employs some In addition to the design facility, the plant will retain produc-tion of infra-red detectors used in night-viewing equipment, along with a range of specialised com-

The change in the role of the Southampton plant coincides with a rapid expansion in the semi-custom chip market throughout the world.

These components, known as Application Specific Integrated Circuits, or ASICs, allow customers to buy standard semiconductors which also contain a few spe-cialised circuits. This means that users have access to highly speci-alised designs at a fraction of the cost of a normal custom-built

Philips Components, which has just changed its name from Mul-iard, said yesterday that ASICs are at the heart of most consumer electronic products, and that the products designed at Southampton would be used in a wide range of such applications.

These included videotex and digital audio systems, satellite television, cellular radio and TV

remote systems, all products in which the parent group has a strong position. Work on the development of microchips for cordless telephone technology, a field in which the UK is currently establishing a world lead, will also be concentrated at South-



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The M4 connects Gwent with the Business Centres of the UK. Landon is only two hours away, and by Inter City 125 Newport to London. Paddington is only 90 minutes.

Everything else connected with running a successful business is right here in Gwent. Low overheads, competitive property prices, new premises with room to expand, generous financial assistance, a highly skilled workforce and a quality of life you'd be hard pressed to beat anywhere. Gwents professional

Industrial Development Yearn are ready to provide a free and confidential consultancy service, Ring us on 0633 838867 or write to Gordon Probert, County Planning Officer, Gwent County Council, County Hall, Cwinbran, Gwent,

it could be the best business: connection you've ever made.



BALE

Societe Internationale Pirelli S.A.

last day for exercise of their Warrants.

NEW REGULATIONS for finan-cial advertising would greatly strengthen investor protection, Sir Kenneth Berrill, chairman of

the Securities and Investments Board, said in London yesterday. Making his last public speech before retirement, Sir Kenneth told a Financial Times conference on financial communications and advertising that the need for better investor protec-tion, after changes in the financial services industry over the

past few years, was undentable.
Sir Kenneth robustly defended the regulation of advertising. Initiation for honest dealing as well tial impressions gained from it as the efficient and profitable were likely to influence small despatch of business. investors' decisions on where and Mr Smith paid tribute to the how to place their money, he work of the Advertising Stansaid. "We are all Aunt Agathas dards Authority and the Code of

for the first time the advertise-ments would be scrutinised by ing. "Advertising is a dynamic regulators with specialist finan-motor of consumer demand. It cial training; and that compli-can crucially affect the choice of ance with the rules would be consumers on decisions which

But SIB's role was to try to suggested, would not be a series the pressure that investors received of sanctions but the creation of a SROs. the same level of protection from threshold of standards below Mr

Strong support for the new hardy to operate. SIB had achieved protection of ules came from Mr John Smith, He added: "While the new rules the consumer through its rule rules came from Mr John Smith,

He added: "While the new rules
Labour Shadow Chancellor. The
public needed the best protection
ad-men and their clients, the pubthat could be devised against its
lic interest requires that the balown indifference, ignorance, or
ance be tilted in favour of the
within the spirit of the rules dis-

CONFERENCE Financiai Communications

and Advertising

now. No one is really competent to analyse what is being put to analyse what is being put in maintaining proper practice in before them without help."

The new rules would mean that material in advertisements being required by governments would be fair and accurate; that throughout the European Com-

quickly enforced.

The regulations were necessarily complex, Sir Kenneth said.

may be basic to their security and well-being," he said.

The result of the new rules, he

inaccurate advertising, whatever which the provider of financial investment was being made. services would consider it fool-

even their less desirable consumer." appears....no doubt some instituinstincts, so that the financial Some of the headaches were in tions will be looking to exploit services industry acquired a repevidence. Questions about the every loophole they can."

Museums seek £20m injection to stave off cash crisis

LEADING MUSEUMS in Britain have called for an additional £20m of Government funding to avoid a deepening cash crisis.

The call for cash came yesterday from the Museum and Galleries Commission — which represents 19 major museums - in response to criticism of the management of museums by the Government's National Audit Office.

It is the first joint initative by the museums for many years and reflects the wide-

spread view that the Govern-

ment is keen to "privatise"

museums by freezing their annual grants and forcing them to look to alternative sources of income, such as admission charges. Professor Brian Morris,

chairman of the commission. who introduced the report yesterday, said the additional money, which would lift the money, which would like the grants to the 19 museums to 2200m a year, was needed to sustain core activities, such as buildings, conservation and scholarship. He admitted that money for development and exhibitions could come from private and corporate patronage and new sales initatives.

The report responded to other criticisms by agreeing that more effort should be made by museums to exchange works of art and expertise, both around the UK and abroad. On the vexed question of selling off surplus objects, languishing in store, the report said that this decision should be left to the trustees of individual museums.

The report reveals that attendances for the 19 museums totalled nearly 26m a

18.00

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Law 'powerless to prevent copying of tapes'

powerless to prevent widespread home copying of music on tape recorders in breach of copyright, the law lords acknowledged yes-

"No-one is to blame for the present situation," said Lord Templeman. "Copyright law could not envisage, and now cannot cope with, mass production techniques and inventions which create a vast market for the works of a copyright owner but also provide opportunities for his rights to be infringed."

From society's point of view

the present position was "lamen-table", Lord Templeman said. Home copiers were committing millions of breaches of the 1956

Copyright Act every var.

Whatever the reason for home copying, the beat of Sergeant Pepper and the soaring sounds of the Miserere from unlawful copies are more powerful than law-abiding instincts or twinges

of conscience.
"A law which is treated with such contempt should be amended or repealed."

The Law Lords dismissed an appeal by the British Phonographic Industry (BPI) against the Court of Appeal's decision in February last year to strike out an action by which BPI tried to at least limit, if not eliminate, the opportunities for home copying. BPI, which represents record makers, had sought injunctions

stopping Amstrad Consumer Electronics and Dixons, an Amstrad retailer, selling cassette recorders with a copying facility.

Lord Templeman said that it was estimated that in 1984 about 40m records and 70m blank tapes had been sold. On average there would now be two infringing

copies of a record for every authorised one. Copyright infringements by a home copier were almost impossible to detect and a successful infringement action against one

copier would have little deterrent He said that the appeal was the climax of a conflict between the makers of records and the mak-

ers of recording equipment.

Amstrad had marketed a recorder that enabled tape to tape speed, provoking RPI by what the judge characterised as "hypocriti-cal and disingentions" advertis-



was "authorising" copyright

Lord Templeman said that nothing in the Copyright Act inhibited the invention, manufacelectronic equipment capable of lawful or unlawful reproduction.

tions system for the use of insurwint or unlawful reproduction.

No manufacturer and no machine authorised the purchaser to copy unlawfully. By selling the recorder Amstrad might facilitate copying in breach of copyright but it did not authorise it. Amstrad had no control over the use of its recorders. quotations for other retail finan-cial products, such as savings brokers and other financial intertrol over the use of its recorders once sold.

Nor did Amstrad's advertiseon the contrary, it warned that some copying required permis-sion that Amstrad had no authority to give.

'Amstrad's advertisement. "Anstran's advertisement, said Lord Templeman, "was deplorable because Amstrad thereby flouted the rights of copyright owners.

"Amstrad's advertisement was advertisement.

cynical because Amstrad adver-tised the increased efficiency of a facility capable of being employed to break the law. "But the operator of (an Amstrad recorder) can alone decide what material is to be recorded.

"The Amstrad advertisement is open to severe criticism but no purchaser of an Amstrad model could reasonably deduce that Amstrad possessed or purported recording at twice the normal to possess the authority to grant permission for a record to be cop-led."

cal and disingentions advertising.

The advertising stated that pleman said that the case would have served a useful purpose if it involves the recording and playback of certain material may only be possible by permission. certain material may only be pos-sible by permission." to the fact that "home copying BPI contended that the adver-tisment was an encouragement to break the law and that Amstrad law into disrepute.

Copyright 'losing race against technology'

MR PATRICK ISHERWOOD, record company and music publisher in the country."

lisher in the country."

Mr Alan Sugar, Amstrad chairment for a long time that copy man said: "We are not going to right was losing its race against be builted by powerful record and technology but had hoped that it music industry pressure groups might be able to provide some into withholding from consumers the advantages of developing technology.

protection for copyright owners

To that extent it was deeply
disappointed by the result, but
heartened by an opportunity to
rectify matters with the Copyright Bill now going through parliament.

"To that extent it was deeply
"We are now able to market
across Europe the same equipment which we sell in Britisin.
The BPI case, in effect, was limiting our ability to view Europe as
one single market.

"Amstrad will continue to
develop and produce at realistic

Amstrad commented: "Today's "Amstrad will continue to judgment vindicates Amstrad's decision to continue with its marketing plans, despite the combined threats of nearly every consumers demand."

CORRECTION NOTICE NOTICE OF REDEMPTION

JAPAN AIR LINES COMPANY, LTD.

(Nippon Koku Kabushiki Kaisha) (the "Company") U.S. \$75,000,000 H per cent. Guaranteed Bonds due 1993

NOTICE IS HEREBY GIVEN, that pursuant to Condition 6 (B) of the Bonds, the following Bonds of the Company have been drawn for redemption on June 4, 1988 (the "Redemption Date") for account of the Sinking Fund at a redemption price (the "Redemption Price") of 100% of the principal amount thereof.

SERIAL NUMBERS OF BONDS CALLED FOR REDEMPTION Numbers missing through inadvertence from our May 11, 1988 publication

Payment of the Redsuption Price will be used upon presentation and surrender of the Bonds called for redemption, together with all compons appertaining thereto maturing after June 14, 1988, at the principal office in the city indicated of any of the following Paying Agents:

The Bank of Tokyo, Ltd. in Paris
The Industrial Bank of Japan Limited in London
The Bank of Tokyo, Ltd. in Brussels
The Industrial Bank of Japan (Luxembourg) S.A. in Luxembourg
Bank of Tokyo (Switzerland) Ltd. in Zurich
Industrial Bank of Japan (Deutschland) A.G. in Frankfurt/Main
Industrial Bank von Japan (Deutschland) A.G. in Frankfurt/Main On and after the Redemption Date, interest on the Bonds to be redeemed for this Sinking Fund will ease to actrue. The coupon for interest psychie on June 14, 1888 should be detached and presented for payment in the usual manner.

JAPAN AIR LINES COMPANY, LTD. By: The Bank of Tokyo Trust Company as Fiscal Agent

Dated: May 13, 1988

DOCKLANDS PROPERTIES

The Residential Property Pages will focus on this subject on

28th May & 25th June. For further information please contact Carol Haney on 01-439 0030

TELETEXT SERVICE URGED TO WIDEN SHAREHOLDER BASE

Oracle likely to seek flotation

Digital enters financial data services

ORACLE, the teletext service and encouraging us to look at 'tem.

owned by the ITV companies, is new developments."

Because Oracle will have to considering a Stock Exchange flo
Under the extention of ITV win a renewal of its separate

being encouraged to investigate IRA ways of widening its shareholders by the Independent Broadcasting Authority.
Mr Peter Bailey, Oracle manag-

ing director, said yesterday: "The IBA is increasingly recognising us as an independent company

the world's second largest com-puter group, is entering the Brit-

sh market in telephone-based

information services with a range of products aimed at the financial

The company's move into the information service field, generally known as Value Added Data

services, was heralded with the launch of a life assurance quota-

ance brokers.

Over the longer term, however,

Digital is planning to expand into

DIGITAL EQUIPMENT of the US, and personal pension plans.

ted to have revenues of £5.5m the first time, have its own telethal tend after years of losses, is, like an appendage of the ITV television or the first time is a possible to the text franchise rather than being before its future franchise is a long to the text franchise are the text franchise is dend after years of losses, is, like an appendage of the ITV television contracts awarded by the order to the text franchise is secure.

ing to the most recent research, tures of a daily newspaper in 4m adult viewers look at Oracle electronic form. The "newspaper" each day, about the same number is spread over both ITV and who watch, the similar BBC sys-

The company declined to say yesterday how much it had

invested in the service. But it has

set up two computer centres in Berkshire to handle the central

computing for the system. It has also set up several regional cen-

tres and a telecommunications

network to link them with end

tions services have attracted

increasing attention over the past year because of one of the provi-

contracts from the end of 1989 to franchise in 1991/92, probably The company, which is expective end of 1992 Oracle will, for against competition, it is unlikely the have revenues of 25.5m the first time, have its own tele-

> IBA. particularly in sectors such as
> Teletext is the text and data travel and horse racing,
> service carried on spare lines of relaunched its service in 1985 the television signal and, accord- with what it believes are all fea-

> > mediaries to offer "best advice"

Rest advice means that brokers

have to be able to show that they

have given customers an unbi-ased appraisal of contracts on offer. In addition, brokers have to

keep records of their proposals to

show how they have reached

Digital's computerised system

will allow users to gain access to

a variety of quotations from dif-

their conclusions.

sions of the Financial Services on a standard personal computer.

Act which makes it obligatory for In the last quarter of this year,

Oracle has recently written to the Cabinet committee looking at the future of British broadcasting pleading that "the world's first commercially viable teletext service which stimulates demand for higher value television receivers should not be overlooked.

Oracle, which already has a joint venture with Aircall for subscription teletext services, is now looking at the possibility of setting up a European teletext news service through Astra, the medium-power television satellite due to be launched towards the end of this year.

transaction service that will enable clients to fill out a pro-posal form electronically and receive confirmation on the spot.

Estimates of the size of UK

information services market vary

widely, but some analysts believ

In the insurance quotations field, the market leaders are believed to be Istel, the employ-

ec-owned company spun off by

the Rover car group last year, and British Telecom's value

Government intends to broaden company investigation powers

THE GOVERNMENT intends to THE COST to a foreign bank of introduce wider powers of investruming a small to medium-sized tigation under the Companies branch in London now exceeds Act 1985 and the Financial Ser- fim a year, mainly because of

vices Act 1986. soaring rents, writes David Las-Lord Young, Secretary of State celles.

Lord Young, Secretary of State celles.

For Trade and industry, told the House of Lords that more than management consultant, says it resources would be devoted to would also cost a bank nearly the effective enforcement of the £1.9m to open such a branch. law and of self-regulatory The cost of opening a medium sized branch is now £2.75m, up

This would follow his depart-from £2.5m last year, and annual ment's review of powers and pro-cedures available for investiga-£1.5m. ting possible malpractice. The

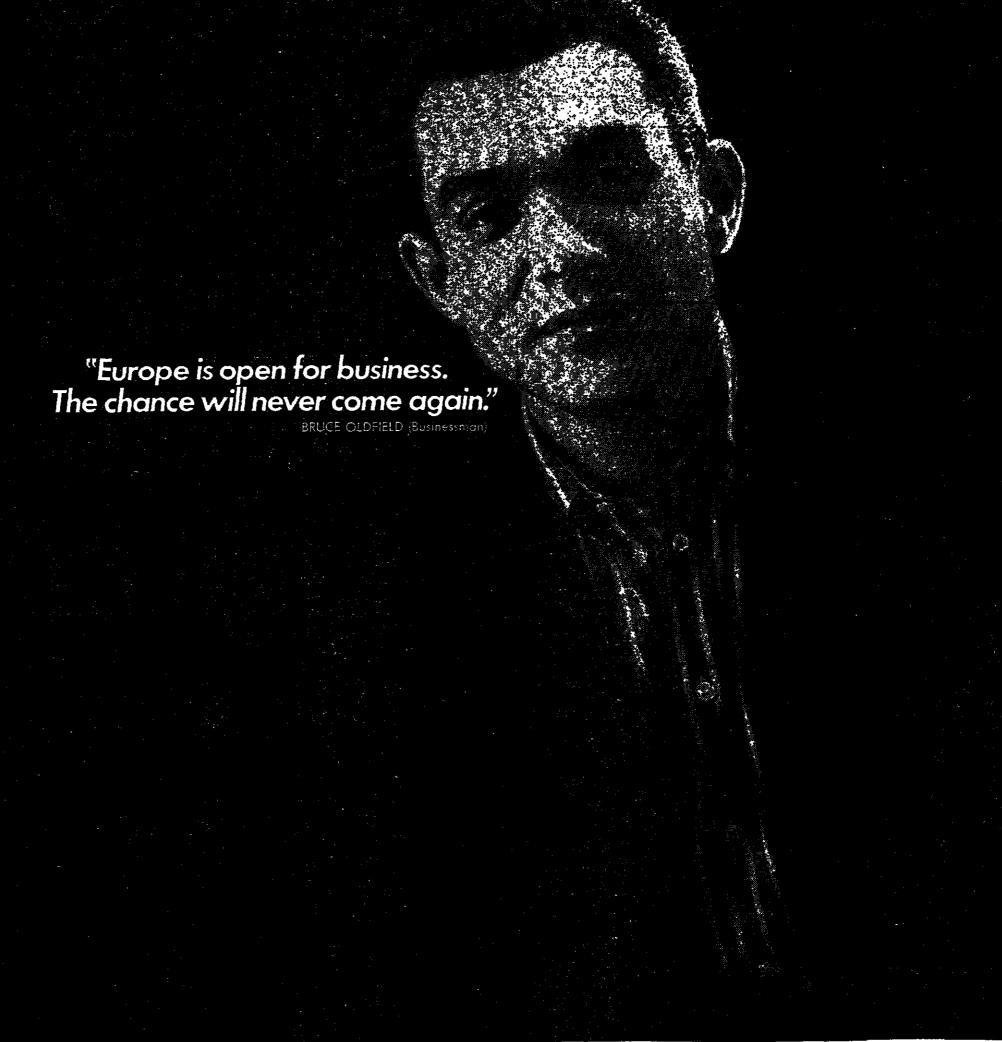
department's key enforcement consider making an announceactivities are to be brought together in one division.

Under proposed amendments to existing laws, the Government were thought to have been intends to halt the practice of involved, or one in which there appropring the effect of involved, or one in which there announcing the start of investi-gations into suspected cases of insider dealing under the Finan-The department's review has cial Services Act. The only excep-tions would be when ministers present range of investigative believe it would be in the public interest to do so, although impor-adequate, more scope and flexiit will reach about £343m this year, and that growth is in the order of 40 per cent a year.

tant Companies Act investigations would still be announced.

Lord Young said he had thus enable the general powers of decided, in respect of insider company investigation under dealing investigations, that the Section 432 of the Companies Act investigations and investigation to be used in section 432 of the Companies Act

interests of efficiency and justice to be used in cases of suspected were best served by not normally fraud or misconduct when the announcing or confirming that prime purpose was to consider inquiries were under way. He said, though, that he would latory action.



When Bruce Oldfield took his first fashion collection across the Channel he discovered the lucrative European market.

And a vogue for red tape. But many of the regulations and restrictions will be history by the end of 1992 when the 12 countries in the European Community, including Britain, will be working together as a single market.

With less than five years to go, you need to find out now how the changes will affect your business.

And your future.

So seize the opportunity and

phone our hotline or fill in the coupon for more detailed information.

01-200-1992

Your business will never be the same again. Whatever your business.



To: DTI 1992 Campaign, FREEPOST (GR 629), Cirencester, Glos. GL7 1BR. Please send me more information about the Single European Market.
MMT
roution
ADDRES
county
Number of employees
Is your business primarily involved in: Manufacturing Service as#11
4.

Putting trust in property

By Paul Cheeseright

PETER ARCHER went back to his desk after a management meeting of the Lazard Property Unit Trust and found a message from a merchant banker. He returned the call. Were there, he was asked, any units in the trust available for sale? It was not the sort of query he was accustomed to receiving. Property unit trusts were about the dullest form of

ent on the market. The answer was, of course, that there were some for sale. It was June 1987. Mr Archer did not know that afternoon, but later he could look back and see it as a turning point.

A turning point for two reasons. First, because it signalled that the pension funds and charities which invest in trusts

like Lazard were about to halt their retreat from the property market. Second, because from the middle of last year the returns the property unit trusts were offering began to climb rapidly as the effects of the property boom seeped through into their portfolios.

The Lazard Property Unit
Trust, which is managed by Mr ing their way – of the Pension Fund Property Unit Trust and the Fleming Property Unit

So it is a barometer both of the pension fund view of prop-erty as a medium for investment and of institutional performance in the market. Institutional returns on prop-

erty have been increasing and the Lazard trust reflects that. In 1985 and 1986, its returns were respectively 7.8 and 8.7 were respectively 7.5 and 8.7 per cent, against an average measured by the Phillips and Drew Property Unit Trust Index of 5.7 and 3.9 per cent.

Last year this index gave an average return for the sector of 19 per cent, largely because of, an uplift starting in the third quarter. Lazard's return was 22.9 per cent, and is still going up. In the year to April 1988 it probably turn out to be higher than the Phillips and Drew average for the sector, when it is published shortly.

Again, in 1985 and 1986, when the pension funds generally were much more interested in equity than property, investment, the Lazard Prop-erty Unit Trust was forced to



London (above). The trust offers pension funds one way of taking part in collective investment spread over offices, retail and industrial property. Inner City Enterprises offers another. Both are commercially driven, but ICE uses institutional finance where the funds are often reluctant to go on their own - depressed inner cities.

pulled out. By March 1987 it had on issue 73,852 units.

The picture began to change after the merchant banker's call. Now there are 80,984 units outstanding and the number of investors has increased to 230 from 160. At the same time there has been a steady rise in the price of the units to £2880 from £2420 in June 1987. Subscriptions recently have been coming in at the rate of up to £3m a month. This

holding itself, has raised the asset value of the trust to £225m from £204m four months ago and £167m in March 1987. The rising value of the portfolio is not just a factor of rental growth in the property sector as a whole. It springs at least in part from an active development policy dating back to what Mr Archer called "the dark ages of property investment before 1987." To make the trust attractive

to the pension funds it had to be doing things which individ-ually the pension funds were traded, we reduced the number of properties, we developed the philosophy of larger lot size," said Mr Archer. "With accelerated develop-

ment, you get better yields, you get the benefit of rental growth in the development process, you end up with a better quality building. That's the theory anyway," he added. Of the 33 properties in the portfo-lio, largely in the South East, 90 per cent were created by development or by funding development companies

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Cutting the ice in the inner cities

By Hazel Duffy

AMID ALL the shouting about inner cities, the voice of Inner City Enterprises has sometimes been hard to hear. This was deliberate. ICE, set up by a clutch of financial institutions in 1982 to test the commercial viability of opportunities in the inner cities, has been quietly going about its busi-

Now, the company believes it has a good enough track record of commercial successes with which to go back to those institutions and ask for more backing. Given the greater institutional interest in property investment, the timing looks good.

ICE was set up in the heyday of Mr Michael Heseltine's pioneering efforts to get the private sector involved in the inner cities, on the advice of his Einancial Institutions Group. There was no

his Financial Institutions Group. There was no shortage of projects, but few that tempted the institutions. Property investment generally was not popular. Trying to prove that money could earn a respectable return from developing

run-down bits of cities was an uphill task.
But ICE, then acting in an agency role, managed to make the commercial point with a few small projects. One was in a deteriorating Georgian square in Birmingham, where three-and-a-half listed terraced buildings were converted by Guarding Personal Evaluation Properties to form 5.2% on fi ian Royal Exchange Properties to form 5,275 sq ft

The project yielded a profit of £46,500 - after half of Government urban development grant was paid back under the clawback provisions - on costs of £333,000.

The next step - in 1985 - was to persuade the institutions that ICE should be a developer in its own right. As a result, the largest shareholders are now the Prudential, the British Gas pension fund, and Norwich Union, and total equity is around £4m - tiny when put beside their property invest-ments, but enough for ICE to further prove its

point that inner cities can make commercial sen

point that inner cities can make commercial same to the insurance companies and pension funds.

A semi-derelict site near Greenwich town control presented one such opportunity. In perturbing with the local council, ICE has competed a press of the council and the company.

Mr Charles Brocklehurst, ICE managing director, says that inner city development can be compened. The company's boilest move was to buy the industrial properties of the defenct Greater Lotted on Council, for which it paid 248 fan, financed by a syndicate of seven insurance compenses headed by Prudential and Norwich Union, It also brought about 549m of funds together for the development.

by Prudential and Norwall Court about 140m of funds together for the development of a part of Whitechapel, but the scheme was rejected by the local council.

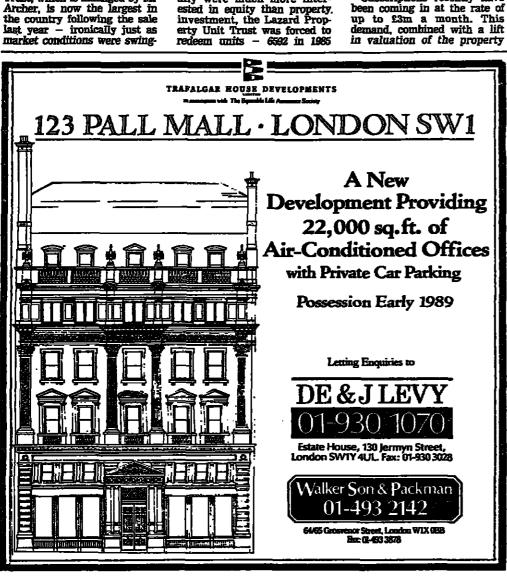
With property investment and inner cities in fashion, and the institutions wanting to put a local council. in the water, competition to develop sites is increasing. But Mr Brocklehurst is convinced that they will always want a commercial return. The problem is finding ways to do this in the most

unattractive parts.

One idea that he thinks is gaining acceptance is that of equity mortgages, again floated originally by the FiG. The details have still to be worked out, but it could be a way of developing big sites, possibly detelict, in areas where values are difficult to determine

cult to determine.

The novelty element is that public money would be needed, particularly in the early phases, as in the urban development corporation areas, but there would be provision for the State to get a return. Private money would be the long-term finance, drawn down from a specially created investment fund, with low interest.



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FINANCIAL TIMES



Its dependence on traditional

manufacturing meant that Lianelli was badly hit by the early 1980s

recession. But now it is clearing up past dereliction and laying the foundations for a balanced economy based on leisure as well as industry. A four-page survey by Robin Reeves

A landscape transformed

campes which are taking place shooker, thanks not least to the in the life of the community.

Presided over by Lord Elwyn-Terry Griffiths, finalist in the Jodes, the former Lord Chancel-tree on the former Lord Chancel tree on the former Lord Chancel tree

some stage be able to use their north.
infinence to encourage compa. On the eastern outskirts,
nles with whom they have deal- within sight of the giant Trostre

LESEX

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LATER THIS month, many of tory which has produced so many Lianelli's famous some will world class rugby players, the assemble in the town at the invi-most recent being Jonathan tation of the borough council to Davies, the current Lianelli and be shown some of the radical Wales stand-off half.) So does clanges which are taking place smooker, thanks not least to the in the life of the community. exploits of another famous sun,

for Folkestone and Minister of big changes. The roads which economic infrastructure move for Folkestone and Minister of big changes. The roads which state at the Environment Departured to the Royal Institution, and a host of university professors distinguished in various are concerned, by a fast new link fields of science and engineering, road between the town centre. The hope is that they may at and the M4 a few miles to the come of the spile to use their positions.

ings and which may be looking timplate works, a major £16m for somewhere to expand or relocate to consider Lianelli. which will give a new dimension These prodigal sons, even if to the commercial life of the These prodigal sons, even if to the commercial life of the they have not been back for town. Even more radically, Liayears, will find many aspects of nelli's foreshore, once a byword lanelli life unchatiged. The special warmth and friendliness of liction, is the object of a major the people are still alive and well. land reclamation and urban Lianelli's reputation as the town renewal effort which in two years' time will have transformed the local landscape. Mr Wyn Pryce, the Welsh



Llanelli and South-West Wales

towards fruition, the area will the 1950s, many hundreds of become a significant pole of workers were employed in local Cardiff's docklands redevelopment has been grabbing a great deal of publicity and attention. But here in Lianelli, the infrastructure improvements are taking place across a far wider front. Something like 10 miles of coastline is involved. And they offer a

wide range of private investment opportunities in leisure, tourism and residential developments."

above all, tinplate. As recently as tinplate handmills - sheets of steel were passed by hand through baths of molten tin. This craft, dating back to the begin-nings of the Industrial Revolution, was rendered obsolete over-night by the opening of Trostre, the timplate mill which domiskirts and which brought in the process of electrolytic timing. As it turned out, the local econ-

Llanelli may even get its own cary proved sufficiently buoyant tidal barrage. This would be conto absorb the job losses stemming structed across the mouth of the from this technological advance River Loughor, the historic from the contraction of the tier between Llanelli and West Wales, and Swansea and Glamor-gan to the east, along the line of the Loughor bridge.

All these developments are a Betws and Cynheidre. Both pro-Rugby, too, remains an abiding Mr Wyn Pryce, the Welsh All these developments are a Betws and Cynheidre. Both propassion. (The borough includes Development Agency's regional far cry from Llanelli's historic duce anthracite for which there is an insatiable demand. The forof the fabled Welsh fly-half fac-imajor improvements in the local coal, steel, engineering and, mer is one of the most profitable

the subject of a 230m expansion. With the onset of more recessionary conditions in the 1970s, Llanelli initially maintained an

memployment level significantly below the national average. But it was still a narrowly-based economy, with an exceptionally high 60 per cent of the working population in manufacturing. Moreover, 75 per cent of the man-ufacturing labour force worked in just three industries - metals manufacture, mechanical engi-neering and vehicle engineering.

When the more intensified recession of the early 1980s hit the local economy, it suffered a sudden, very steep, rise in the level of unemployment. The biggest single body-blow was the clo-sure of Duport steelworks, result-

steels market. The blow was particularly bitter since only months before Duport had decided to concentrate its steelmaking in Llanelli and most of the plant and

equipment was new.

An avalanche of other manufacturing closures and redun-dancy announcements in the period 1980-83 resulted in the loss of some 11,400 jobs. The Ministry of Defence unveiled plans to close the Royal Navy Stores at Llangennech, involving hundreds of job losses. "It reached the point where we were frightened to pick up the telephone," Mr Alun Bowen Thomas, the borough chief executive, recalls. Inde some citizens were so concerned that they organised a service in the town centre to pray for divine deliverance from the continuing

the steel industry, tended to overshadow Llanelli's economic difficalties. The WDA was prevailed calties. The WDA was prevailed beach and woodland country upon to develop a new industrial park where there was once a northern outskirts. The resources now boasts one of the cle of the Manpower Services Com- beachesin Europe and attracts mission were brought to bear to 300,000 visitors a year. tackle a growing problem of long-term unemployment. But the area was not made a Development Area even though its job-laid the foundations for develop-

decision of granting planning consent to Tesco to develop the site, even though it was originally earmarked for industry and will compete strongly with the town centre shopping area whose freehold is owned by the council.

The second arm of the strategy was to build, with the assistance of Urban Aid grants, a series of workshops to encourage the growth of small businesses. Since 1981, some 120 workshops in three complexes have been constructed. They are run by the Lianelli Enterprise Company, a local public-private sector joint venture sponsored by 25 organi-sations. It is able to tap the funds available for business develop-ment from BSC (Industry), British Coal Enterprise and the WDA as well as provide accommoda tion on easy terms and other supports for young busines

The third arm of Llanelli's recovery strategy has been a concerted drive to clear up the industrial dereliction of the past and 1990s which, in the words of Mr Bowen Thomas, is at least as attractive from the point of view of industry and leisure as Heath-row, Holland or anywhere else in

turope." This process is now well under way. There is every chance that it will be accelerated with more funds under the long-awaited Valleys Initiative. Mr Peter Walker, the Welsh Secretary, is due to unveil details shortly.

The area's qualities for industry have long been recognised. But it was a study commissioned from Mr Francis Tibbalds, current president of the Town and which identified its exceptional tourism potential

From this has stemmed the Machynys Wildfowl Centre, the Welsh Motor Sports Centre and the Kidwelly Industrial Museum all projects which have been developed in areas previously

It has also led to the addition of new facilities, such as a narrow gauge and miniature railway, as well as a ski slope, to increase the attractions of Pembrey Country Park, a 600-acre park at Dafen, on the town's sprawling ordnance factory. It

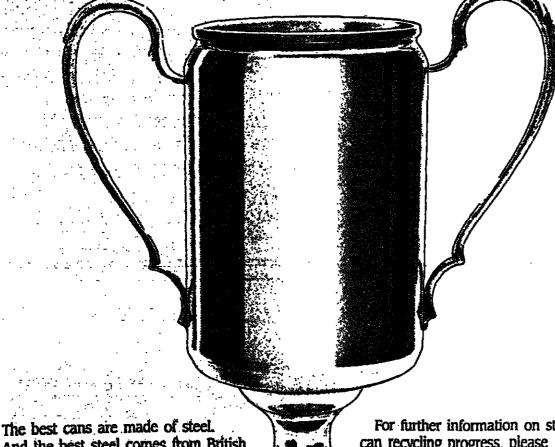
less level rose higher than some ing a more balanced economy. which had that status. The trends are in the right direc-By and large, Llanelli borough tion. Unemployment has come council was left to cope as best it down to 15 per cent. Transport could. The council came forward communications are no longer an with a three-fold strategy. The issue. Road and rail improve-With a time-told strategy. The many states was to supplement the ments have brought London WDA's Dafen Industrial Park by within four hours' drive and developing other industrial three hours' train journey. Many estates, notably at Cross Hands of the key local employers have the direct loss of 1,300 jobs.

This came as part of a UK

The level of unemployment restructuring deal with British eventually reached 22 per cent.

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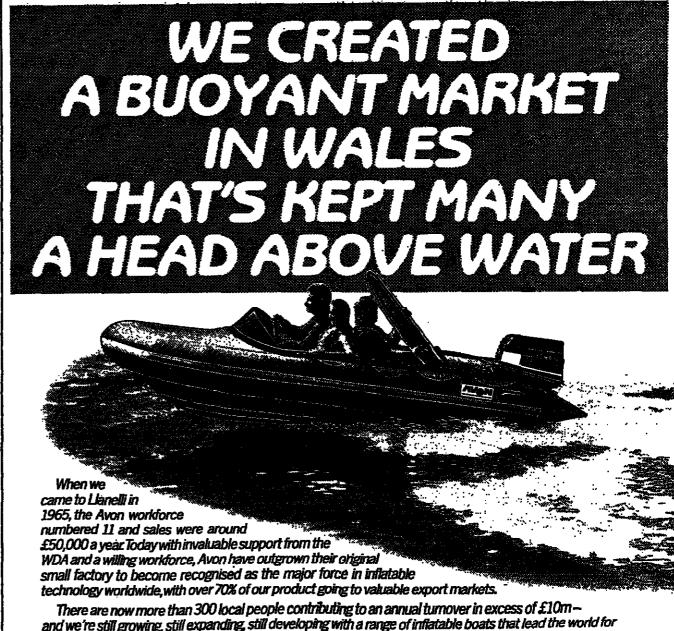
And the best steel comes from British Steel. At its plant at Trostre, Llanelli, BSC Timplaté has embarked upon an investment programme designed to maintain its leadership as a supplier of quality steels for packaging. BSC's commitment is not only to the steel, but to the steel can and its recycling.

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Economic recovery has been based largely on expansion by indigenous companies

The natives start to get bigger ideas

THERE IS a distinctly more opti-mistic mood in the economy of Llanelli and south west Wales

"We first noticed signs of a pick-up two years ago and it has gradually spread west." Mr Wyn Pryce, regional manager of the Welsh Development Agency, says. Even more heartening, he argues, is that the recovery has been based largely on an expan-sion of activity among indige-nous companies which survived the recession, rather than through an influx of inward investment – as is the case in south-east Wales.

This is particularly true of the two major local employers, Brit-ish Steel Corporation's Trostre timplate works and Llanelli Radi-

ators (see separate articles).
Within the past six months too, the first 10 advance factory units to be built on the WDA's Dafen Industrial Park, which was constructed after the closure of

A major occupier is Avon jobs.

Inflatables, which established itself in Llanelli in 1965 with 10 extend Dafen by bringing foremployees and a turnover of ward more serviced land in the Dafen to meet a growing export tion of another six advance fac-demand for its extensive range of tory units.

In these circumstances, it is

Today, the company employs 300 and has a turnover of well over £10m, 70 per cent of it over-

Two other local companies which are expanding at Dafen are Abbey Research and Development which has moved into the park to establish an industrial chemicals manufacturing units, and Daniel Fans, which began in a local workshop and is now exporting its range of industrial

The exception to the indigenous expansion rule is Home

250,000 a year. It has just next 12 months, either for cusacquired a further 80,000 sq ft at tom-built premises or construc-

hardly surprising that the private sector is also beginning to take more interest in the local industrial property market. Three of its production capacity. The Oaks Investment has just purinvestment is designed to double chased by tender 10 acres of the output of ophthalmic lenses to Llangennech Royal Naval Stores 80,000 pairs a week. The company the new managing director, which are being wound down and hopes both to increase its share "there are decent-sized pockets of are due finally to close next year. of the UK ophthalmic lens mar-population which are sufficiently The Slough-based property group outbid rival tenders for the site which currently contains five factory units of 20,000 sq ft each, from the borough council and on the Continent.

The Slough-based property group ket — which it puts at over 30 underlicensed to warrant us making a market penetration. Customline, a manufacturer of presentation boxes and jewellery cases which trades as Design Philipp, has just extended its Llager.

Llangennech sell-off next month, when tenders are being invited

Among other key local develop- another production unit in clean room extension and taken

Trostre timplate works, Llanelli, is in the forefront of the revival in the British steel industry's for-

Trostre is the anchor works for

BSC timplate production and one of the largest timplate mills in

Europe. Its products are used for

the packaging items as diverse as

food, cosmetics, cleaning materi-als, petfood, polishes, motor oils, paint, agricultural chemicals, kitchen ware and utensils, and

Only a few years ago, Trostre, along with BSC's other timplate plants at nearby Velindre and

switched from using aluminium

engineering components.

which has been based in Llanelli and install an additional electrosince 1956. The company has just lytic tinning line. finished investing £1m to expand Another well-known local comproduction capacity by 50 per pany, Buckley's Brewery, has cent and meet increasing demand just embarked on an expansion for its comprehensive range of path following its recent takeover

UKO, the UK subsidiary of the American Optical Corporation at Kidwelly, has just put the finish-ing touches to a £1.5m expansion

from Kidwelly represents a major third to 53,000 sq ft to meet vote of confidence in the Welsh increased demand for its products.

purchase of the British group and Regent Hospital Products, for a further 11 acres containing purchase of the British group and Regent Hospital Products, another seven units of 20,000 sq ft each.

facility in Scotland and sell-off of has recently completed a new

Duport steelworks, have now been filled, mainly by expanding local companies.

A major occupier is Avon jobs.

Delivery Services, a subsidiary of ments is a major expansion by Northern Ireland.

Ina Bearing, the UK subsidiary of the German-owned international bearing manufacturer, copper wire drawing facilities

Cramer and Mr Peter Clowes. The oldest brewery in Wales

it was founded 220 years ago — Buckley's is seeking to establish new outlets across the border in England in areas where, in the words of Mr Michael Willcocks, the new managing director, "there are decent-sized pockets of

other local interests.

The decision to source the lipp, has just extended its Lianeeds of the continental market nelli premises by more than a interest in the next phase of the from Kidwelly represents a major third to 53,000 sq ft to meet

on 25 per cent more staff. The Lianelli plant tests, grades and packs the company's range of surgical and medical gloves. Another local management

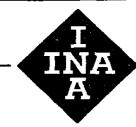
buy-out success story is Dyfed Joinery. Formerly part of the Thyssen engineering group, it was bought out 18 months ago by local management with assistance from BSC(Industry) and British Coal Enterprise, since when its turnover has increased to over fim, 36 per cent above

In the north of the borough, European Profiles of Amman-ford, a subsidiary of the RTZ Pil-lar group, is enjoying particularly buoyant demand for its wide range of roofing and clad-ding products for industrial and farm buildings. Between 20 and 25 per cent of the company's is coming from exports, mainly to the Middle and Far East.

company, Morgan Marine, engi-neers in reinforced plastics, has recently reported an order book of flom for its range of buildings, enclosures, kiosks, substations and allied structures, many of them defence-related.



The Avon inflatables workshop on the Daven Pack inflatities esta



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Tinplate

Steel cans fight back

result, according to Mr John May, BSC Tinplate's market development manager, steel cans'

Ebbw Vale, displayed all the hallmarks of an industry under siege.
Apart from the general crisis gripping the steel industry, it faced sharply increased competition from rival packaging materials. Major redundancies and other retrenchment measures in the steel under the competition of the compet UK beverage market was even other retrenchment measures were introduced to cut costs, and more pronounced, showing a threefold increase to around fears were widespread that at 1.5bn. This recovery contrasts least one of the three plants As it has turned out, the com-bination of these highly painful residual share of the beverage can market. Among other develretrenchment measures and a substantial programme of capital investment to improve quality gave Trostre and the other two tinplate works the ability to hit opments, it has encouraged the three major European tinplate plate since 1977 by 30 per cent. producers, BSC, Hoogovens of the Netherlands and Rasselstein/Otto tially from the introduction of Wolff of West Germany to join forces and develop an easy-open steel end to replace the alumin-This is particularly true of the all-important beer and soft drinks packaging industry. During 1987, a number of can-making plants ium ring pull end currently used

end in various European regional canmaker, markets has evidently proved Anothe very encouraging.

The fightback by Trostre and Trostre's pickle line and adapting the other tinplate plants is the result of a sustained programme of capital investment to achieve improved quality and yield, and to reduce the energy requirements of manufacture.

The works are also set to benefits from the investment of fam in the investment of fam investment of fam in the investment of the

ments have reduced the energy duction line canmaking equip input between ore and finished ment for the testing of new tin

tially from the introduction of future prospects is also being computer-control technology boosted by what BSC executives involving expenditure of some This includes notably the microe-products. on most beverage cans.

lectronic gauge control on Apart from its dramatically-reTest marketing of cans with a Trostre's five-stand Tandem mill, duced energy requirement com-

developed by BSC, which has established a sheet steel flatness standard in advance of anywhere else in the world.

Even bigger investments in improved quality are in the pipeline. This autumn will see the commissioning at Trostre of a 250m continuous annealing line, allowing the works to produce, weight for weight, a strong, more ductile timplate, and so offer the packaging industry a material which can be used in lower weights and lower costs to the

Another £15m has recently been committed to updating

The plants have gained enor- fit from the investment of £4m in mously from the introduction of a new steel can research and continuous casting facilities and development unit at BSC's new hot rolling mill at Port Research Laboratories at Port with the US where aluminium the Talbot. As well as providing a Talbot. Due to be opened later cans have captured all but a strip steel of more consistent this year, this facility will residual share of the beverage quality, these and other invest-include a range of modern promill products.

Trostre's optimism over its argue are the distinct environ-£10m over the past five years. mental advantages of tinplate Apart from its dramatically-re-

> pared with its main packaging material rival - timplate manufacture now requires less than half the energy input of alumin-ium - steel cans are easier to recycle, thanks to steel's magnetic properties. According to Mr May, some 500,000 tonnes of scrap annually in Europe, partly by domestic "Save-a-Can" schemes but mainly by local authorities taking the trouble to run their domestic refuse collections through magnetic extraction units before disposal or incinera-

> "Thanks to some new scrap cleaning and treatment technology, it has become economic for local authorities to extract the cans from waste streams with a magnet and sell them to a detinning company," Mr May explains. As part of last year's European Year of the Environment, BSC has also initiated moves to create a market for incinerated cans. After researching how best to handle such scrap material, it has committed itself to taking up to 100,000 tonnes of incinerated steel cans by 1991.

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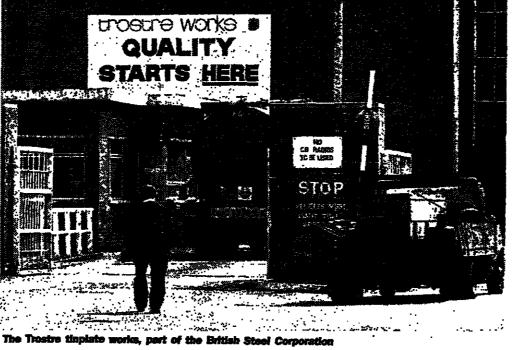
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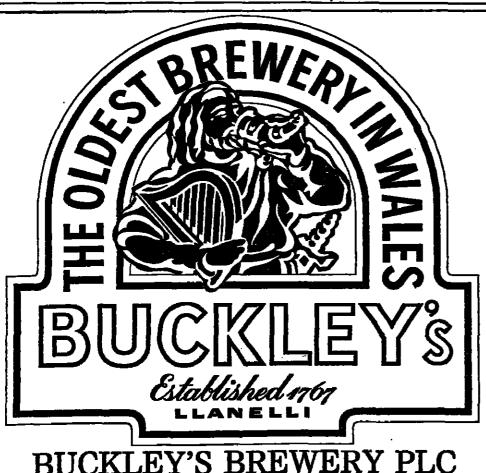


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LLANELLI 3

LLANELLI HAS demonstrated over the past-five years that it is possible to marshal resources to tackle local aconomic difficulties without awaiting special Governent belp in the shape of an Hierprise Zone or an Urban evelopment Corporation.

Y May 13 1965

Welsh Development Agency and the Manpower Services Commission has laid the framdations for include a museum, holiday major investment in a series of accommodation and a golf course coastal regeneration projects due to open in three years time.

which are bringing about a dra— The WDA is also joining forces which are bringing about a dramatic change in the face of Lianelli, Burry Port and Kidwelly and the coastal belt in between. The largest single cash inputs have come from the WDA's land reclamation budget. Some \$2.5m has been spent on clearing the Duport steelworks site and mak-ing it ready for redevelopment as

a leisure parkland, built around a 17-acre boating lake. Other facili-ties to be provided include land for waterfront residential developments, boating and craft centres, a showground, a touring caravan site and a terminus for a caravan site and a terminus an projected Swiss Valley and Great Mountain steam railway. The site will form an extension of the People's Park to the east d create a green corridor from

Limets town centre to the Pembrey Peninsula and Kidwelly to Another \$1.5m is being devoted to clearing the Machynys Penin-sula, a large area of derelict industrial land, ruined foundries and old industrial buildings en the town and the coastline. It is being prepared for transformation into a variety of leisure, tourism and residential

uses, taking advantage of the

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uilding,

, a house.

Several regeneration projects have enhanced the region's facilities

A leisure park takes shape

opments in train for the area with the highway authority, Dyfed County Council, to extend the main Dafen Industrial Park estate road so as to bypass existing communities and allow faster motorway access for Llanelli Radiators and the adjacent Rover group components plant, and open up further land for factory building, The Dafen Industrial Park is due eventually to cover

260 acres. The existing new link with the M4 has already attracted the private capital required for Trostre Retzil Park — a fifm development on what was semi-derelict land extending over 98 acres, which is being described as the only purpose-designed retail park in Wales. Tesco is constructing a 74,000 so ft food retail store and there will be eight other non-food stores of between 10,000 and 40,000 sq ft built around a "village green". Other plans include an hotel, conference, leisure and craft facilities and a petrol sta-

Other regeneration projects owe much to the work of the Manpower Service Commission's

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ufacturing jobs, according to Mr struction of a lake, ponds, Michael Roberts, the area man-bridges, hides, and fencing and ager, MSC has paid out some f8m landscaping. In this way, it is in wages over the past five years. hoped the centre will attract and 600-acre beach and woodland Lianelli Borough Council has put hold more birds, in an area developed on the site of an in about £750,000 to provide already of international impor-ordinance depot which once occu-

the development of the Machynys ways. Wildfowl Centre, in association Another MSC-backed project with the Wildfowl Trust at Slimhas been the restoration of the bridge, Gloucestershire. This is centrepiece of the Kidwelly expected to attract 130,000 visi- Industrial Museum — the only

nachinery and materials.

A particular exciting Commu
present wildlife and conservation nity Programme project has been to the public in more interesting



Community Programme. Mike Hopkins, chief instructor, on the ski slope Required to mount a major effort being built at Pembrey Country Park

Since 1983, co-operation seafront, inlets and former har in the area to tackle the problem tors a year when it opens, either timplate works to survive from structure the bours, as maritime and water of long-term unemployment cre- late next year or early in 1990. the last century with large parts recreation areas. Ancillary develated by the haemorrhage of man. The work has involved con- of its original machinery intact. It has also played a key role in enhancing the facilities within the Pembrey Country Park, a 800-acre beach and woodland

pied the Pembrey peninsula Boasting one of the best (and according to EC standards, one of the cleanest) beaches in Europe, it already attracts over 300,000 visitors a year.

Recent additions, with much of

the work being done under MSC

programme auspices, include construction of a miniature and narrow gauge railway, a just-completed artificial ski slope, a visitor centre, beach kiosk, a boating pond and a pitch and putt course. In future it is proposed to provide an underwater museum, riding centre and lido. Such has been the success of the MSC's Community Programme input that its planned replacement this September by the Employment Training Programme has given rise to local anxieties that the regeneration effort could falter. But according to Mr Michael Roberts, MSC area manager for West Wales, many of the Llanelli projects will fit into the new programme because they have long incorporated a signifi-

ant element of training.

Mr Dennis Pearson, the programme manager at the Llanelli

Community Resource Centre, says the projects have involved thing a wide range of skills. He is particularly proud that even the locomotive for the min-iature railway was constructed in the programme's own training workshop.

Three other projects are set to complete the regeneration of the

 Comprehensive development of Burry Port harbour has been designated as one of a network of marinas around the Welsh coast under a Wales Tourist Board strategy. Much of the land is already in the ownership of either the borough council or the Central Electricity Board which is currently seeking an EC grant to demolish the disused Carmarthen Bay power station to allow the site's redevelopment for leisure, residential and light engineering purposes.

• Facilities at the Welsh Motor Sports Centre, which is already firmly established on an abandoned Second World War airfield purchased by the borough council, are to be improve The centre will be enlarged and equipped to a standard that will allow the introduction of a Wels Grand Prix.

 Finally, there is the possible construction of barrage across the River Longhor estuary to create a marine lake for water recreation and ancillary sports, residential development and perhaps even limited electricity genera-tion. A decision on this develop-ment must await the outcome of two consultants' reports.

This last contract was secured

after several years' research and development at Llanelli to improve aluminium brazing tech-

niques and major investment in a new 40,000 sq ft facility dedicated to the manufacture of aluminium

radiators.Traditionally, radiators

have been made from copper-brass and, over the past 10 years,

Llanelli has been able to meet

market demands for smaller size,

lighter radiators without any loss

But equally, it has recognised that aluminium radiators are

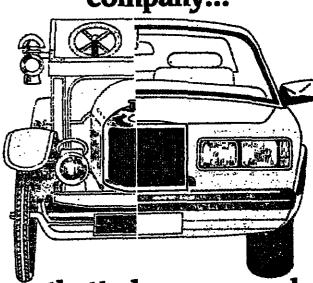
being increasingly favoured by

performance through the use of thinner, improved materials and better engineering tech-



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Vehicle radiators

Plant stands on its own feet

WHEN THE Rover Group decided in 1986 to sell its Llanelli Radiators subsidiary, it was widely assumed that the business, valuation of the characteristic bold temporarily the other to hold temporarily the ued at around £10m, would be snapped up by one of the big boys – Ford, General Motors or even Nissan.

required to place a small eposit with the Company and In the event, it was a bid from the local management team, led by Mr Michael Reilly, the managa four week licence fee in advance. One month's notice of ing director, and supported by the employees, which not only won the day, but did so with an employee share-ownership tenancy ensures maximum flexibility for any company starting up in business. arrangement which could become a model for others contemplating BRITISH STEEL CORPORATION INDUSTRY LTD and

management-employee buyout. Under the deal, which finally fell into place last October, 30 per cent of the share capital of Lla-nelli Radiators is new held by the management and 25 per cent by the employees. Of the remainder, the Rover Group continues to the Rover Group continues to start. Current turnover, at 137m hold a 25 per cent stake and investment bankers Barclays de Zoete Wedd owns another 5 per cent, a final tranche of 15 per cent, a final tranche of 15 per cent is being held in reserve for a possible future investor able, say, year the workforce was down to to introduce the company to a 850 company arriver or a new product.

new market or a new product. the The buyout, urged upon the management by the plant's trade R. management by the plant's trade union representatives and arranged through the trade Morris Motors took over what arranged through the trade Morris Motors took over what union-backed Unity Trust Bank, was then a wartime shadow fachas brought about a measure of the tory manufacturing and reconditional control and employee continuent to the success of the business, which Mr Reilly is in an odoubt angurs very well for the an offshoot of Cowley, Oxford, readering wartillation, Tarrillation, Ta

The unique aspect of the buy-out has been the offer, and take-up by 90 per cent of employ-ees, of preference shares in the business. Made available in packages of 500 at £1 each, the preference shares have had the attraction of giving employees an immediate return on their investment, as well as a bonus of 50 free ordinary shares and entry to Employee Share Ownership Plan (Esop). This plan has provided for the

Radiators to begin to stand on its sum equivalent to the value of own feet and develop the efficienthe employee's share capital and cies required to make the most of the other to hold temporarily the its knowledge and expertise in 25 per cent ordinary shares in the heat exchange technologies. name of the employees and so minimise tax liability.

its profit targets over the next five years, the preference shares will be gradually paid up and the loan for the purchase of the 25 per cent tranche of ordinary shares repaid, allowing them to "But during the 1980s, it has shares repaid, allowing them to be distributed to employees.

To improve competitivene some product lines had to be

Provided the company meets phased out and the number of

become acceptable for motor

The company hopes its air-conditioning systems will become a standard fitting for cars

the early 1980s. Now it is nearer

producing ventilation flaps, chro-mium parts and silencers, as well as radiators and heaters, and

frames as well. Then, in the late 1970s, Sir Michael Edwardes, during his tenure as BL chairman, decided that the plant should become an individual profit centre with a management structure to handle all aspects of its business and thus, it was hoped, win orders from other motor vehicle manu-

from the mid-1960s onwards, seat

The race to meet the profit tar- manufacturers to trade with each

Radiators is now established as the largest autonomous vehicle radiator manufacturer in the UK and the fourth or fifth in Europe (excluding the in-house manufac-(excluding the in-house manufac-turing facilities of companies like into other heat exchange compo-

Only some 42 per cent of the company's business these days is with Austin Rover, as against nearly 100 per cent at the beginning of the decade when Mr

Reilly arrived in Lianelli.

The company's second higgest customer these days is Nissan.

Contacts with the Japanese vehicle manufacturer and its venicle manufacturer and its radiator subsidiary, Nihon, were opened several years ago. They finally bore fruit last July, when Llanelli won a contract to supply all the radiators for Nissan vehicles built in Britain.

Third largest customer is Land Rover which Llanelli supplies with heating systems as well as radiators. Valuable new business has also been secured from Leyland Vehicles, JCB and Hyster.

The company's fastest growing market, Mr Reilly stresses, is with General Motors which now takes radiators from Llanelli for to do it for him."

This set the scene for Llanelli its Vauxhall assembly at Kiles

continental motor manufacturers (they already account for some 80 gets has got off to an excellent other," he notes.

The net result is that Lianelli and that if the business is to grow, then Llanelli must be in that market as well. The introduction of aluminium

nent markets such as oil coolers intercoolers for turbo chargers and air-conditioning systems. Mr Reilly is convinced that

over the next few years in particular, air-conditioning systems (which require aluminium evaporators and condensers) will become a standard fitting, rather than an expensive optional extra, for vehicles sold in Northern Europe, giving this market a par-ticularly bright future.

To maintain its competitive edge, the company plans to spend more than £5m over the next three years on new production processes, on the engineering and development of equipment and the expansion of its markets.

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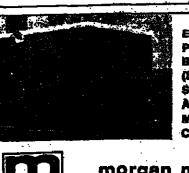


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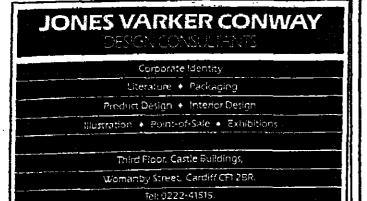
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Milford Haven port's geographical advantages

The optimists' menu

DEVELOPMENTS ARE afoot in tacts have developed since the Milford Haven waterway which promise to give a signifi-cant boost to the whole economy of South-West Wales.

Milford Haven has long been recognised as one of the best deep water anchorages in West-ern Europe. During the 1960s, it developed into a major oil import and refinery port capable of tak-ing the world's largest oil tank-Before the expansion of North Sea oil production, it handled a third of the UK's imports.

But somehow Milford Haven has never delivered the economic prosperity which its unique character always promised. In the last century, it was earmarked at one stage to be developed as a major transatlantic passenger terminal, but the liners departed before the

idea was brought to fruition.

The Navai Dockyard closed in the 1920s. Milford Haven became a major fishing port immediately after the 1939-45 War, but then its fishing fleet dwindled substantially. More recently, changing trade patterns in the oil business have resulted in the closure of

one of the major oil refineries. But there is growing confidence that this cycle of disappointment is finally going to be broken by three new factors.

road communications. Recent bypass completions and long stretches of dual carriageway, linking the south-west corner of Wales and the M4, have brought London within five hours' drive.

 The seemingly insatiable demand for maritime leisure. Milford Haven offers an extensive, exceptionally high quality, envi-ronment for marina developments linked to residential retirement property - and there are

are opening up as a result of enlargement of the European Community to include Spain and America and Europe. Portugal. Milford is no longer on Portugal. Milford is no longer on Again because of its geographithe outer periphery of the Comcal position, Milford Haven munity, as was the case when would offer the largest container munity, as was the case when Britain joined the EC, but nearer Britain joined the EC, but nearer ships a combination of a quick its geographical centre and stra-turnround time and a short sea tegically placed to profit from

in mind that a delegation led by finance a two-mile industrial the local authority, Dyfed County road to bypass Pembroke Dock Council, and local business interests visited Spain two years ago a rail freight liner terminal.

Now a local consortium, Govan Davies Developments, is just put-ting the finishing touches to a new deep water harbour facility on the site of former Royal Naval after its recent takeover by Sea-Dockyard at Pembroke Dock con Holdings, the shipping group, designed to transform these trad-of which he is deputy chairman

the whole of Wales," he declares.
That view is shared by Mr Ian
Hay, chief executive of Milford
Docks. He has taken the helm of

Wales's oldest public company

ing fishing industry can be revived, to the benefit of the sur-

rounding economy, but also that the Milford docks can be devel-oped as a centre for importing

also preparing plans to construct a new fish market at a cost of Im and exploring the possibili-

ties for developing fish processing facilities in the locality.

According to Mr Hay, the new ice-making plant, which will have a capacity to produce 68 tonnes of ice daily and a 100-

tonne storage capacity, is the ini-tial key to the industry's revival.

The aim is to persuade foreign as well as British boats fishing in

south-western waters to take

advantage of Milford's location and offload their catches there

for transhipment rather than

return to their home ports and so

This is happening to a certain extent already. Indeed, the pur-

chase and operation of British fishing vessels by Spanish inter-

ests, in order to buy British fish-

ing quota entitlements under the EC's Common Fisheries Policy, have been subjects of some con-

But Mr Hay says that there is room for a great deal of expan-sion. "The fishing grounds off the

south-west of Britain are well-stocked with good quality fish

and there are some quotas -hake, for example, which com-

mands a high premium on the Spanish market - which are not

fully taken up.

Beyond the fishing industry, which he hopes will also open up

employment opportunities for processing fish locally, Mr Hay foresees Milford taking advan-tage of Iberian and Mediterra-

nean trade in fruit and vegeta-bles. Milford is well placed to

import in bulk and then process

and pack locally in order to meet the requirements of the super-

lose valuable fishing time.

and processing of other goods.

and joint managing director. Mr Hay is confident not only that Milford Haven's once thriv-

ing opportunities into reality.

The company has spent \$5m developing the new facility – dredging a deep water channel. constructing three quays and creating onshore facilities. The project has also been given official backing in the shape of gov-ernment financial assistance, including an urban development including an urban development The new owner's first invest-grant, to offset some 20 per cent ment at the Milford docks has

The first two quays, with berthing depths of 10.8 metres and 28.5 metres minus chart datum respectively. datum respectively, will be ready to receive their first ships next month. A third quay with a berthing depth of 36.1 metres

There are plans for a new £1m fish market

pleted by next Christmas. Mr Govan Davies says that inquiries about using the new facility are already running at a high level. "It will be the only deep water port on the west coast between Devonport and Liver-pool capable of being used by general cargo ships 24 hours a day, without waiting for the tide," he stresses.

Looking shead to the opening of the Channel Tunnel in 1993, Mr Davies is also seeking planning consent for the construction ment property - and the pipeline.

Trading opportunities which ships - with an eye to capturing a significant share of the conof a deep water jetty capable of tainer trade between North

crossing in plying the Atlantic growing trade links between the between Europe and America.

UK and the Iberian Pensinsula. The Welsh Office and Dyfed-K and the Iberian Pensinsula. The Welsh Office and Dyfed-lt was with these opportunities Council have already agreed to

to discuss the opening up of regular trade links. It was given an forecast that this area will soon encouraging reception and conhave the highest growth rate in

Technology

High winds cut costs of electricity

PLANS FOR three wind "parks" – one located near Cardigan in South West Wales - which will produce electricity from a cluster of wind turbines were unveiled ast month by the Central Electricity Generating Board.

Assuming the developments are granted planning consent - the other two are planned at Cold Northcott in Cornwall and on the northern Pennines - they will come on stream between 1990 and 1992 and provide enough electricity to meet the needs of about 5,000 people.

They represent the first fruits of a programme of practical research and development of

The Carmathen Bay site is being used as a shop window

The outcome of this six years' work was an announcement in March, by Lord Marshall, chair-man of the CEGB, of a £30m expanded programme of developexpect high wind speeds, it may designs. now be possible to generate electricity at a competitive cost."

The Carmarthen Bay site has played a key role in identifying the technical and economic impact of wind power by moni- World. toring noise levels, interference with radio communications, and Energy Group, which is headed toring noise levels, interference

the compatibility of wind turthe land they occupy for other

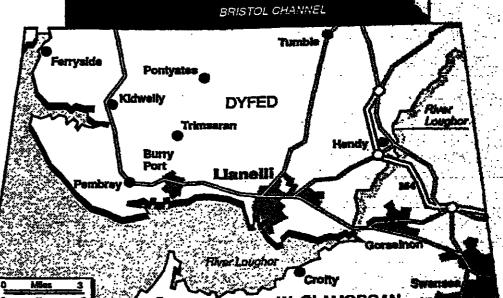
Interest in wind power for electricity generation has been growing ever since the 1973-74 oil crisis and a number of governments, notably the US, veden, Netherlands and Denmark, have been supporting research and development pro-

Initial research concentrated on large machines designed to generate one Megawatt or more. But they failed to live up to expectations. More success has been achieved with small turbines, notably in the US where tax incentives have led to 15.000 wind turbines of 50 kilowatts and upwards being brought in operation which are generating some 1,300 MW of electricity.

At Carmarthen Bay, the first machine to be installed was a 200 kilowatt horizontal axis turbine of US design, built by James Howden of Glasgow. As it turned wind power technology which out, a number of technical diffiwas launched six years ago on culties limited its operation and the coastal site alongside the it has been replaced by another CEGB's Carmarthen Bay power 28-metre diameter Howden station to the west of Lianelli. machine designed to generate 300 kilowatts. This is similar to a number of turbines which the company has installed in Calif-

Since then, the CEGB has decided to develop the Carmarment over the next four years, decided to develop the Carmar-"We are very encouraged with then Bay site as a shop window the progress of this technology," open to use by any British com-he said. "In our judgement, on panies which wish to test and turbing truthing favourable sites where we can demonstrate wind turbine

Taking advantage of this facility, a consortium, headed by Sir Robert McAlpine, has installed a 130 kilowatt vertical axis turbine of 25 metres diameter, while Baldimensions of wind energy. The four Beatty has set up a 10 kilowind parks will take this work watt prototype of novel design forward and also establish the which it believes may be suitable social, visual and environmental for widespread use in the Third



CARDIGAN BAY

generate some 300 kilowatts and be a candidate design for the 300 and 500 kilowatts.

three proposed wind parks.

According to the CEGB. as matters stand, the most economic size for commercial operations is a turbine generating in the range 150-300 kilowatts. But it says there is now some expectation that machines of about 500 kilo-watts can be developed which are commercially viable. In the meantime, thanks to improving engineering standards, the aver-

build another test machine on to four square miles, 25 turbines, the site later this year which will each 30 metres in height and

has suggested, it is quite possible that wind will be providing the UK with some 1,000 megawatts of mic electricity early in the next century. That would be about 2 per cent of current generating capacity. Meanwhile, suggestions that

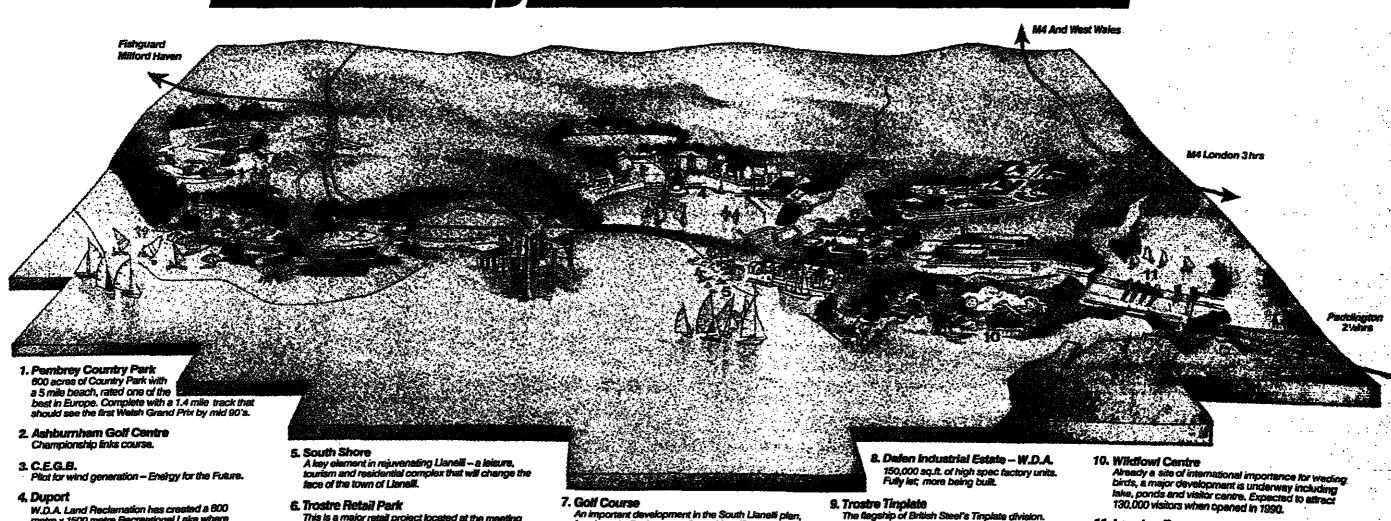
Carmarthen Bay power station, which closed in the early 1980s, age construction cost has come could be purchased by a private down to around \$500 per kilo- operator and refurbished as a coal-fired station within a priva-It is envisaged that the wind tised electricity industry have parks at Capel Cynon and the been ruled out by the CEGB. other two pilot sites will each According to the board, the

by Taylor Woodrow, is due to contain, within an area of three switchgear and a lot of other internal equipment have already been stripped out. It says that several private companies have also inspected the station and ecided that it is not suitable for

The CEGB recently applied for a grant from the European Regional Development Fund to assist with the cost of demolities and, following a recent grant to South Wales Electricity to realign its transmission lines in the area, it is reasonably optimia-tic about its chances.

A report from consulting engineers, Mouchell and Partners, has recommended that the site ought in future be devoted mainly to leisure purposes, with

-build your business



metre x 1500 metre Recreational Lake where once stood a major steel works. To be followed with shopping precincts, and site housing, hotel and restaurants to be developed by the private

This is a major retail project located at the meeting noint of the new A4138 motorway and A484 Swansea link roads. It will leature a new Tesco store and other non-food stores; as well as a petrol station. forming a buffer between South Lianelli and the Wildlowi Centre.

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11. Loughor Barrage Planned for the 90's; possibly with an energy generated capability. Will create a 500 acre

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Licences granted to British Telecommunications PLC ("BT"), Kingston upon Hull City Council and Kingston Communications (Hull) PLC ("the Hull Licensees"), Mercury Communications Limited ("MCL"), Racal-Vaciatione Limited ('Racat') and Telecom Securicar Cellular Radio Limited ('Cellust') to run telecitions systems

1 The Director General of Telecommunications ("the Director') hereby gives notice that he proposes, under section 12 of the Telecommunications Act 1984 (the Act') to modify the Conditions in the Licences granted under section 7 of the Act to BT, the Hull Licensees, MCL. Racai and Cellnet ("the PTOs") by adding a new Condition to those Licences.

2 The effect of the modifications is to prevent 'Chattine Services', where more than two people are able simultaneously to conduct a telephone conversation with one another, from being provided unless certain conditions are fulfilled.

3 The conditions are that the customer must have agreed in advance to the provision of that particular service and that any telephone bill from a PTO must show the amounts charged for the services (including the charge for the relevant telephone calls) separately from any other charges. Each charge for a Chattine Service must be itemised to show the date on which

Proposed modifications of the conditions of the the service was provided and the telephone number used to gain access to it.

4 The conditions apply both to Chattine Services offered by a PTO and to services offered by an independent operator over PTO lines. The PTO must cease to provide the relevant lines to any independent operator who does not comply with the conditions. The definitions of Chattine Services excludes conference calls where the participants are identified in advance.

5 The purpose of the proposed modifications is to safeguard and promote the interests of consumers and purchasers of telecommunications services in the United Kingdom in respect of the quality of telecommunications services provided.

6 The Director is required by section 12(2) of the Act to consider any representations or objections which are duty made and are not withdrawn.

7 Any persons whose interests are likely to be affected. by the modifications, and who wish to make representations or objections in respect of them, should do so in writing to Mr M J Prettyman, OFTEL, Atjantic House, Holborn Viaduct, London EC1N 2HQ (stating their interests and the grounds on which they wish to make representations or objections) before Monday 13 June 1988. Copies of the proposed modifications may be obtained from OFTEL (tel: 01-822 1617).

FT LAW REPORTS

Guinness director must repay secret profit

GUINNESS PLC v WARD (Lord Justice Fox, Lord Justice Glidewell and Sir Frederick Lawton): May 10 1988

A DIRECTOR'S interest in a contract made with his company must be disclosed to the full board, not merely to a committee of directors; and any secret of directors; and any secret impose a bitive trustee for the company and must be repaid, irrespective of any services he may have rendered in connection with the close his in ment to a r

order by Sir Nicolas Browne-Wilfor any secret profit" (see Hely kinson, Vice-Chancellor, that he Hutchinson [1986] I QB 549,585).

must repay Guinness pic 25.2m If the agreement ever existed kinson, Vice-Chancellor, that must repay Guinness pic £5.2m
received by him as constructive Guinness had exercised its right to avoid it (at the latest by institute of the present proceed-

trustee on its behalf.
Section 317 of the Companies
Act 1985 provides: "(1)It is the duty of a director . . . who is . . . interested in a contract . . . with the company to the company to the claim for independent of t neeting of the directors . LORD JUSTICE FOX said that Fire

cluded in April 1986. (MAC), a Jersey company con-trolled by Mr Ward, submitted to Guinness an invoice for £5.2m for Mr Ward never had good title

it was not aware of the connec-since Guinness could avoid the tion between MAC and Mr Ward. It now alleged that the £5.2m was payment to him.

Mr Ward admitted that the money was received on his behalf, but alleged that an and behalf, but alleged that an oral agreement was made between him and Guinness that he should be paid £5.2m for his services as business consultant in connec-tion with the bid.

duty as a director, in that it was the Companies Act 1985.

- It contended that Mr Ward held

under a duty to disclose his interest, such duty was discharged by disclosure to the committee of directors, Mr Saunders, Mr Roux out of the same transaction.

board of directors duly convened. Subsection (1) required disclo-dealings between them because sure to "a meeting of the direc-the agreement was never dissure to "a meeting of the directors". Those words could not be closed.

satisfied by disclosure to a subcommittee of directors. It was committee of directors. It was made what the sub-section to "727 of the Act. The section on the court power to the court powe

Nothing in the Articles could relieve a director from liability attention 317(1) was a statutory requirement and its provisions were mandatory. In article 100(A) "a meeting of the directors" must have been intended to have the same meaning as in the section.

Conferred on the court power to conferred on the court power to relieve a director from liability and reasonably, and in all the circumstances ought to be fairly excused.

What he was claiming in effect was that he be compensated for his services in connection with ing as in the section.

closure to "a meeting of the disclose any grounds for relief directors" (which was a wholly under the section different thing from knowledge Accordingly it did not avail Mr by individuals and involved the Ward to invoke section 727. He opportunity for positive consider—could not succeed.
stion) was not complied with. Mr Ward always had been a

to a duly convened meeting of and must repay it. The appeal the full board of Guinness. There was dismissed.
was no such disclosure. Mr Ward Lord Justice Glidewell and Sir therefore acted in breach of duty Frederick Lawton agreed.

said article 100(D) expressly per- and Jonathan Crow (Calow Easmitted a director to act in a pro-fessional capacity and provided that he should be entitled to retain remuneration for professional services as if he were not a

tor was in a fiduciary position. A in volume form with the full text person in a fiduciary position of judgments. For subscription was not permitted to obtain a details contact Kluwer Law Pubprofit from his position except lishing, Africa House, 68 Kingwith the consent of persons to sway, London, WC2B 6BD. Telewhom he owed the duty.

In the case of a director, the consent required was that of the members in general meeting. That was inconvenient in rela tion to the day-to-day running of a business. It had therefore become the practice to relax the in the Articles. The purpose of section 317(1) was not to destroy the power to relax the general rule by the Articles, but to impose a binding safeguard on

Accordingly, Mr Ward acted in breach of duty in failing to dis-close his interest in the agree-The Court of Appeal so held when dismissing an appeal by Mr Thomas Joseph Ward from an order by Sir Nicolas Browne-Wilfor any secret profit" (see Hely-

with the company to Mr Ward advanced a number of his interest at a objections to the claim for judg-

First, he said he had completed early in 1986 Guinness launched his service under the agreement a takeover bid for Distillers plc. The bid was strongly resisted.

Mr Ernest Saunders, Mr Olivier Roux and Mr Ward were all directions of Cuinness and formed a groungest was not the consideration.

tors of Guinness and formed a committee of the board for the purpose of conducting the bid. The bid was successfully conformed contract. It was the case of the bid was successfully conformed contract. It was the case of the bid was successfully conformed contract. It was the case of the bid was successfully conformed contract. It was the case of the bid was successfully conformed contract. It was the case of the bid was successfully conformed contract. It was the case of the bid was successfully conformed contract. It was the case of the bid was successfully conformed contract. of a fiduciary who in plain disre-In May 1986 Marketing and gard of his duty had improperly Acquisition Consultants Ltd received the company's money

Mr Ward never had good title services connected with the bid.
Guinness paid MAC.
Guinness paid that at the time

of the money. It was the absolute property of Guinness and his title to it was imperfect from the first, to it was imperfect from the first,

Mr Ward was constructive received by MAC on Mr Ward's trustee as soon as he received the behalf and should be treated as a money. The basis of the constructive trust was the combination of three factors: fiduciary relation-ship, breach of duty arising from that relationship, and receipt in breach of duty of property belonging to the person to whom such duty was owed.
Secondly, Mr Ward said that

assuming he was otherwise liable Guinness denied there was an to repay the 25.2m, he was enti-agreement, but contended that tled at law to a quantum meruit even if there were, it was made or to an allowance in equity for in breach of Mr Ward's fiduciary the services he had given the or to an allowance in equity for company, Since any such claim was

tors as required by section 317 of unquantified any set-off would the Companies Act 1985.

Received that Many held the \$5.2m as constructive trustee for Guinness and was bound to repay any balance which could not now be traced.

Article 100 of the Guinness Articles of Association provided that "(A)A director who is . . . interested in a contract . . with the company shall declare . . his interest at a meeting of the directors in accordance with the statutes . . (D)Any director may act by himself or his firm in a professional capacity for the company and . . shall be entitled to remuneration . . . "Molenn [1978] I QB 227,974 Lord Denning said with regard to equitable set-claim must be deductible a cross-claim must go "directly to impeach the plaintiff's demand" and must be so closely connected with his demand that it would be manifestly unjust to allow him to enforce payment without taking the cross-claims into account. The cross-claims in the present case did not impeach Guinness's title to receive the monies claimed. Mr Ward held the monies as constructive trustee. The remuneration . . . "Molenn [1978] I QB 227,974 Lord Denning said with regard to equitable set-claim must go "directly to impeach the plaintiff's demand" and must be so closely connected with his demand that it would be manifestly unjust to allow him to enforce payment without taking the cross-claims into account. The cross-claims into account. Commerce v Molena [1978] 1 QB

remuneration . . . "

a quantum meruit or allowance
Mr Ward admitted receipt of did not impeach or determine
the £5.2m, but said that if he was
that trust.

and himself.

Section 317 of the 1985 Act imposed an obligation to make a disclosure to a meeting of the full early received by Mr Ward. In that respect there were no mutual dealings between them because

ng as in the section.

Mr Ward said that disclosure to the bid.

Mr Ward said that disclosure to the full board would be an absurdity, because it knew about the payment.

Assuming that it were true that all board members knew about the payment, that did not alter the fact that the statutory requirement that there be a disclosure to "a meeting of the disclose any grounds for relief

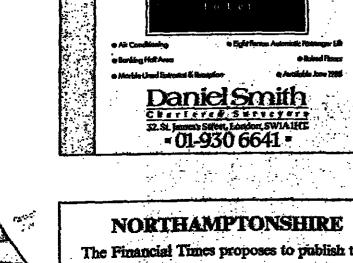
The statute required disclosure constructive trustee of the \$5.2m

in receiving the £5.2m.

Mr Ward said that article 100 For Guinness: David Oliver QC. gave a director certain exemp- Richard Field QC and Philip tions from the duties imposed on Sales (Herbert Smith) him to account for profits. He For Mr Ward: Peter Currie QC

> Rachel Davies Barrister

That was not correct. A direc- THESE REPORTS are published



The Financial Times proposes to publish this survey on:

21st June 1988

For a full editorial synopsis and advertisement details, please contact:

> Anthony G Hayes on 021-454-0922

or write to him at:

Financial Times George House George Road Edgbaston Birmingham B15 1PG

FINANCIAL TIMES



Exhibitions

The Royal Academy, Cezanne, The Early Years 1869-72. A concentrated and illuminating study of the forma-tive period of one of the greatest artists of the 19th cantury, who was also one of the great seminal figures of the modern movement. Ends August 21.

AMSTERDAM

Tropannussum. The arts and crafts of Indonesia, illustrated with more than 500 objects in bronze, bamboo, textiles and precious metals spanning 2,000 years of cultural history. Ends Angast 21.

Bijksmuseum. Two hundred of the

printroom's finest 15th and 16th century ornamental prints, with designs for jewellery, weapons and furniture. Ends June 19.

Jewish Historical Minetus. To celebrate the 40th anniversary of the founding of the state of Israel, an exhibition devoted to the theme of light in Jewish ritual, with lamps and menorahs specially commissioned from modern Israeli and Dutch artists. Ends June 12.

Duch artists, Ends June 12.
The Hagne, Gemeentenniseum. A lavish exhibition tracing Mondrian's development from figuration to abstraction, together with 70 paintings and drawings from the late New York period, on loan from the Sidney Jamis collection. Ends May 29.

work of the Candian plantst Glem Gould in an exhibition which includes screenings of legandary video recordings, including some never shown before. (Weekends until June 12). (Vondelstrant 120).

Centre Georges Foundion. Marc Chagall: 46 paintings, 406 drawings and gouaches and nearly all the illustrated books which have been given to the French state in heu of death duties constitute a unique retrospective of Chagall's life and work. (42 77 12 53) Closed The. Ends June 5. Grand Palais. Degas. An important retrospective of 275 works covers 60 years of the artist's career from his he French thes constitute a re of Chagall's life and 7.12 33) Closed Tue. Ends Junnar and Palais. Degns. An important retrospective of 275 works covers 60 years of the artist's causer from his student beginnings in Italy to the rich maturity of his last years. (4256 69 24). Ends May 16, Closed Tue. Gloucester lent by the Tate Gallander Schmit, French masters of the 19th and 20th century. 386, Rue Saint-Honore (4263685) closed Sundays and hunchtime. Ends July 16.

Galferte D'Art's saint Honore. A vast allegory of war and peace painted in the atelier of Han Brueghel the reforms a striking centrapiece of 15 sculptures and painted pottery starting in the 9th and 8th centuries and ending with the naturalism perfected in the 5th century BC. Ends June 12.

National Gallery. To mark the 350th regray of the first Swedish col

ing the reign of the Moghula testi-fies to their love of huxury. 101, Rue Rambuteau (4238250) closed Mon-days and holidays. Ends July 17.

Kunstraum, Messepalast, Alfred Hrdlicka, Austria's leading sculptor, celebrates his 60th birthday with an exhibition of his work, all carved in stone. Hrdlicka is an inspiring and energetic artist who shows no signs of retiring. Ends May 28.
Bistorisches Museum, Karispiatz. The cultural legacy of Vienna's Jews which has been preserved by Max Berger, makes up this large exhibition which conveys the sense of loss

as much as the community's artistic richness. Ends June 5.
School For Applied Arts. A wesderful and surprising exhibition of works by Friedrich von Berzeviczy-Pallavicini, (1909-) the Swiss-born artist of Hungarian aristocratic background who studied in Vienna before 1938. His versatility extends beyond canvas to interior design, sets for opena and theatre, costumes and writing paper for Helena Rubenstein, Illustrations for the US Look Magazine, Flair and furniture designer. Closes May 20. as much as the o

May 20.
Austrian Museum of Applied Arts.
Kunst und Revolution. A rare
opportunity to see under one roof
an exciting burst of creativity by
Russian and Soviet artists between
1910 and 1932. There are hitherto
un-seen works by Kazimir Malevich,
Wassily Kandinsky and Alexander
Roofischenko as well as a fine collection of pre- and post-1917 revolution
posters. Closes June 191.
Kunstierhaus. Public spirit and pro-

posters. Closes June 1s.

Kunstlerhaus. Public spirit and protest: Bledermeler and Vormanz in

Vienna 1815-1848. After the highly
successful dream and reality exhibition which looked at fin-de-slècle

Vienna, the Austrians have gone
back to the Bledermeler period

(1815-1848). This is a large and (1815-1848). This is a large and attractive exhibition which evokes the typically Vienna bottrands mentality. Ends June 12.

Sethaus. Wien 1938. Vienna's city ball the commemorating the Auschlee.

gamans. Wen lists: Vienna's cry ball is commemorating the Anschlass, the German amenation of Anstria in 1938 with a large and courageous exhibition which shows how Austrians reacted to Hitler's march into Vienna and the eclipse and eventual destruction of the Jewish culture, Rods June 3th.

American Craft Museum. An ambitious show that traces the history of American architecture back to the turn of the century emphasises the work of artists like Tiffany, Lawrie and Louise Nevelson who were com-missioned to add art to the architec-

ture. Ends Sept 4.
Pierpout Morgan Library. More than
300 items from the life and art of

ony in North America, a royal tresury covering four Swedish monarchs in the 18th and 17th centuries will show Sweden as a resplendent and aggressive world power through objects and 100 paintings on loan from the Boyal Treasury, the national museum and the royal collections. East Wing. Ends Sept 5.

Tokyo Metropolitan Art Museum, Usno. Japan in the 1920s. More than 400 works (paintings, photographs, architectural designs, stage sets) tracing cultural and artistic developments in and around the seminal decade when Japan first emerged as an industrial glant. Closed Mondays. Ends June 5.

Ota Memorial Museum, Harajukn. A peareful haven amid the hustle and instite of one of Tokyo's trendiest districts. This month, a representative selection of woodhlock prints by everyone's favourits Japanese artist, Hokusai. On loan from the Peter Morse collection in the US. Closed Mondays. Ends May 29.

Tokyo National Museum, Ueno. Art Treasures of Ancient Egypt. The formal, hieratic art of Egypt is not to everyone's taste, and works often appeal more for their associations with the cult of death or for their levish use of gold and other precious materials. This exhibition gathers important pieces from collections in East Germany, Closed Mondays. Ends June 12.

Tokyo Metropolitiza Art Museum, Ueno. Japan in the 1920s. More than 400 works (paintings, photographs, architectural designs, stage sets) tracing cultural and artistic developments in and around the seminal decade when Japan first emerged as an industrial glant. Closed Mon. Ends June 5.

Telen Museum, Meguro. Art Deco

an industrial giant. Closed Mon.
Ends June 5
Teien Museum, Meguro. Art Deco
Glass by Rene Lalique. This former
imperial residence has one of the
finest Art Deco interiors in the
world. Among its many treasures is
a set of glass doors with relief figures of winged goddesses, designed
and made by the master of Art Deco giass, Rene Lalique (1860-1945). The current exhibition is a perfect match. The quality is uneven, with the notable exception of pieces louned by Lalique's grand-daughter, but the setting is unparalleled. Closed April 27. Ends May 29.

Versice, Palazzo Grassi. The Phoenicians: The fourth major exhibition at Fiat's imposing arts' centre on the Grand Canal attemps to give a complete picture of this extraordinary people, about whom few know much, who dominated trade in the Mediterranean for more than 1,000 years before their capital, Carthage, was finally destroyed by the Romans in 146 BC. (Until Nov 6). Venice, Fondazions Cind (Isola di S. Giogio). Paolo Verousse. An intelli-Venice, Fondazione Cini (Isola di S. Giogio). Paolo Veronese. An intelli-genty presented exhibition to mark the fourth centenary of his death, two thirds of which is devoted to his preparatory studies for his major works in Ventes. The last few rooms contain 22 paintings, including sev-eral masterpieces less by American and European Measures.

Cat on a Hot Tin Roof (Lyitelton). Iam
Charleson and Lindsay Duncan lead
this winte-bot National Theatre
revival of Temnessee Williams' play
directed by Howard Davies. Eric
Porter, absent from the stage for 12
years, is an electrifying Big Daddy.
(228 222)
The Common Pursuit (Phoenix). Second London chance for flawed
Simon Gray comedy shout Cambridge graduates in love and publishing, Author directs good young
cast of post-Python comedians
including Rik Mayall and Stephen
Fry. (336 2294, CC 240 961)
Basy Virtue (Gerrick). Transfer of
King's Head revival of early Noel
Coward, same period but lesser vintage than Hay Fever, but worth see
ing. (379 6107)
Bloody Poetry (Royal Court). Howard
Brenton season industrated with
this fine play about Byron and Shelley, a fierre maditation on the
unloved artist in exile. San Thomas
a notable Mary Shelley. Max Staf-

Bloody Poetry (Royal Court). Howard Brenton season inaugurated with this fine play about Byron and Shel-ley, a fierce meditation on the unloved artist in exile. San Thomas a notable Mary Shelley. Max Staf-ford-Clark directs. (739 1748) inti-Carra directs. (730 1745)
A Touch of the Poet (Comady).
Vanessa Redgazve and Timothy Datton in profit but fascinating O'Nell play set in the aftermath of the European republican upheavals.
Dalton is Con Melody, a Byronic wreck pipe-dreaming in the bar, Redgrave his loyal but defeated spouse. A collector's item. (330 2578, CC 289 1489).

South Pacific (Prince of Wales). Average, traditional revival of the great Rodgers and Hammaratein musical, Gemma Craven falling to wash the baritonal Emile Belcourt out of her hair.

Royal Philharmonic Orchestra, Be Arts Trio. Conducted by Kurt Masur: Beethoven. Royal Festival Hall (Toe). (828 5191). Opera 89. Mozart's The Abduction from the Seraglio. Elizabeth Hall Cross West Seraglio.

from the Seraglio. Elizabeth Hall (Tue, Wed).
Philharmonia, conductor Rafael Prübbeck de Burgos with soloists Elizabeth Gale, Jean Rigby, James Bowman and Jonathan Summers: Mendelssohn, Orff. Royal Festival Hall (Wed).
Royal Philharmonic Orthesiza, conductor Kurt Masur: Mozart, Brockwart Westers Hall (Thur).

Wiener Symphoniker, conductor, Horst Stein, With solist violin, ks-belle von Keulen. Saint-Saëns, Bruckner. Musikverin. (Fri, 19.90). (65 81 90). The Chamber Orchestra of Europe conducted by Friedrich Golda, Mos-art, Gulda, Konserthaus, (Sat 1930)

(72 13 11). Vienna Philharmonikar. Claudio Abbado conducts Beathoven, Schub-ert. Musikverein. (Sun, 11.00) (85 &1 90).
The Arzold Schönberg Choir, conductor, Nikolaus Harmoncourt. Solists, Angela Maria Blasi, Yvoune Remy, Jadwiga Rappe, Hans Peter Blochwitz, Robert Holl. Bach. Konzerthaus. (Sun.19.30) (72 12 11).
The Alban Berg Quantet. Beethoven.
Konzerthaus. (Mon. Tues. 19.30).
Neues Wiener Vocalensemble. Conductor Peter Altmann. Hassler, Bach, Mendelssohn, Von Einem.

Fallies (Shaftesbury). Stumning revival, directed by Miles Ockrent and designed by Maria Bjornson, of Sondheim's 1971 musical in which

NEW YORK

NEW YORK

Fences (46th Street). August Wilson the hit a home-run, this year's Pulitzer als. The prize, with the powerful take of an old basehall player raising a family our, ted to man industrial city in the 1950s, trying to improve their lot but dogged by his own failings. (221 1211).

Trever Num's production of T.S. al, Eliot's children's poetry set to trendy music is visually starting and choreographically feiine, (239 6282).

Musikverein. (Wed. 19.30.) (65 81 90). Wiener Symphoniker. Conductor Erich Leinsdorf. Schumann's Faust. Soloists Brigitte Poselmer, Gabriele Sima, Cornella Kallisch, Klara Takacs, Peter Schreier. Ronzerthans (Wed, Timrs, 19.30.) (72 12 11). The London Fortesiana Trio (original instruments); CPE Bach, Haydn, Mozart, Beethoven. Musikverein.

Nouvel Orchésire Philamonique, con-ducted by C. Badea, Jennifer Jones, sograno: Wagner, R. Strauss (Mon) Badio France, Grand Auditorium

(62301515).

Rokusi De Lassus Choir, Orchéstre
Français D'Oratorio conducted by
Amaury du Closel: Mozart, Beethoven (Tue) Saint-Boch Church.
Rasemble Orchéstral De Paris' Soloists, Brahms, Schubert (Tue) Salle
Gaveau (4563230).

Orchéstre De Paris, conducted by Bsa
Pakka Salogam, Brieftte Engrerer Brchéstre De Paris, conducted by Esa Pekka Salonen, Brigitte Engerer, Plano: Sibelius, Grieg, Nielsen (Wed) Salle Pleyel (45830783). Baurzio Pollini, Piano: Lisci, Schnib-ert (Tue) Salle Pleyel (45830786). Drchéstre National De France, con-ducted by Georges Pretre, Michael Rudy, piano: Prokofiev, Landowski (Thur) Radio France, Grand Audito-rium (4201516)

rium (2201516)
rchéstre De Paris, and Ensemble
Intercontemporain conducted by
Esa Pekka Salonen: Lindberg,

Esa Pekka Salonen: Lindberg, Schönberg, Nielsen (Thur) Salie Ple-yel (45530796). Louvre Musiciens, conducted by Marc Minkowski: Ramean's Platée in concert version (Thur) Opera Comique (42448439).

The Phantom of the Opera (Her Majesty's). Speciacular, emotionally nourishing new musical by Andrew Livyd Webber. (839 2244, CX378 6131/240 7200). Fallies (Shaftesbury). Stumming revival, directed by Mike Ockrent and designed by Maria Bjornson, of Soordheyn's 1971 musical in which the songs are used as andisons rather than emotions. (229 800 1971).

tions rainer than the same than the same.

Les Miserables (Broadway). Led by Colm Willinson repeating his West. End nole as Jesu Vallean, the magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in passentry and drama, if not strict

American incarnation: the skaters do not have to go round the whole theatre but do get good exercise in the spruced-up stage with new bridges and American scenery to distract from the hackneyed population and key Girl (Marquis). Even if the plot turns on ironic minicry of Pygmalion, this is no classic, with forgettable songs and dated leadenness in a stage full of characters. But it

WASHINGTON

The Search for Signs of Intelligent Life in the Universe (Eisenhown). Lily Tomin repeats her Tony-sward winning solo performance of the crazy people who inhabit her fumy and strange imagination. One major segment explores the women's movement over the past decade. Ends June 28. (254 3670)

Amstardam, Concertgebouw. Piano recital by Jorge Bolet: Mendelssohn. Beethoven, Franck, Bellimi/Liszt (Mon). Anton Kerajes conducting the Netherlands Prilharmonic with Emmy Verbey, violin: Beethoven (Tue). The Amsterdam Prumenade Orchestra under Marting Kamminga, with Thea van der Putten, soprano, Wout Costerkamp, bass: Brahms, Stravinsky (Thur). Beethall: Raphael Quariet: Schubert, Shostakovich, Beethoven (Wed) (718 345). Chicago Symphony, Sir Georg Soliti conducting, Andras Schiff pizmo. Beethoven, Ives, Brahms (Tue); Sir George Soliti conducting, Michael Ludwig violin. Mozart, Beethoven (Thur). Orchestra Hall (485 8111).

The Hague, Philipszal. Anton Kershes conducting the Netherlands Philipszanosic with Emmy Verhey, violin: Beethoven (Thur) (60 98 10).

NEW YORK

Alfred Brendel, piano recital. AllSchubert programme (Mon, Thur)
Carnegie Hall (247 7800).

Detroit Symphony Orchestra,
Gunther Herbig conducting, Rusanuel Ax, Schönberg, Mozart, Beethoven (Tue). Carnegie Hall (247 7800).

New York Philharmonic, Zubin Mozart, Bendon, Carnegie Hall (247 7800).

New York Philharmonic, Zubin Mozart, Bendon, Carnegie Hall (247 7800).

helian Wind Quintet: Michele Mar-asco (Flute), Diego Dini Ciacci (oboe), Fabrinio Meloni (ciarinet), Guido Corti (french horn) and Cian-dio Gonnelia (bassoon) playing Ghedini, Berio's new piece Ricorr-ence (first performance in Italy), Ehandi and Carter (Fri). On Sat, Isaac Steiner (planist): From Baroque to Rock and Tues, Wed, a recital by planist Steiner Tatiana Micolaeva playing Shostakovitch. (2779226).

2424).
Yuval Trio, Beethoven, Brahma,
Shalit, Smetana (Tue). Kaufmann N
Hall (996 1100),
Kytle String Quartet, Mozart, Bartok
(Wed 12.30 Free). Juilliand Concerts
at the IEM Garden Plaza (56th &
Madison). Nicolaeva playing Shostakovitch. (2779236).
Naples, Settimene Musicali, Teatro de San Carlo. The Rai Orchestra of Turin conducted by Salvore Accardo plays Mozart's Prague symphony and ariss form The Marriage of Figaro (with Ruggero Raimondi), also Dvořal's Sth Symphony (Mon). On Thur, the first showing of Klans. Kinski's new film Pagamini with music performed by Salvatore Accardo. (797 24 12). WASHINGTON

Los Angeles Philarmonic, Andre Previn conducting. Brahms/Haydn,

International Thesire Fostival. The American debut of the English Shakespeure Company performing the seven Wars of the Eoses plays, beginning with Richard II, high-lights the month-long schedule of 30 productions from 12 companies rep-resenting Spain, France, ireland and South Africa among others. Ends May 25, 6844 3879.

CHICAGO

TOKYO

TOKYO

Tunse no Tuminsha in Haushin Theatre Apple, Shinjuku. A recent survey indicated that Yume no Yuminsha is the most popular theatre group among today's young generation in Japan. Hideki Noda's productions are complex fantasies with a strong vein of surrealist humour. Noda himself is a high-energy comic performer of great charm and the entire company are skilled in sung, dance and acrobatics. Hanshin (half god) is about Stamesa twins and attempts to separate them. This is Total Theatre at its most emberant. Ends kiny 15.

Kabuki (Kabuki-sa). This month's programme features two of the most spectantar works in the kabuki repertoire. At 11am, loseyama Omna Telkin, has a first act consisting of two plays performed simultaneously. It makes use of two hansanichi (the raised platform which extends into the auditorium) and two sets of singurs, one on either

extends into the auditorium) and two sets of singers, one on either side of the stags. One of the places in the performance at 4.30µm, Shir-amani Gonin Otoko, is an elabo-rately stylised fight scene. Excellent English earphone commentary. Ends May 27. (541 3131) Burraku, National Theatre The pup-pet theatre is one of Japan's most refined art forms. Each doll has

Mendelssohn, Walton (Wed 7). Een-nedy Center Concert Hall (254 3776). National Symphony, Andrew Litton conducting, Christopher Parkening (guitar). Britten, Bodrigo, Vivaldi, Rachmaninos (Thur). Kennnedy Center Concert Hall (254 3776).

three operators who remain in sight of the andience throughout the performance, but their presence is soon forgotien, as the narrator at the side of the stage unfolds the story to a musical accompanienent. The buncaku company is based in Osaka and visits Tokyo only twice or thrice a year. Two programmes, at 12 noon and 5pm. English earphone commentary available. Ends May 22. (265 741).

12 noon and Spm. English earphone
commentary available. Ends May 22.
(263 7411).
Rippon Chai Chai Chai Open air,
experimental production in the garden of the Setagaya Art Museum.
About an Olympic hopeni in trackand-field and a woman reporter who
follows his every movement. May 11
-15 only. (584 5539).
Bechive (Yubin Chokin Hatil). OffBroadway sustical, in English - a
spoof on the early 1960s. Ends June
5. (237 9989).
The Wars of the Boses (Tokyo Globe
Theatre, Shin-Ohubo). The English
Shakespeare Company opens
Tokyo's newest theatre with Michael Bogsisnov's lively and inventive
production of Shakespeare's English
history plays. The theatre was
designed by RIBA gold medallist,
Arata Isonaki, as a witty pastiche
– pink outside and various shades
of grey inside - of the Rizabethan
original. A hare stage throws the
focus onto the actors and onto costennes that range from medieval
through Victorian to punk. Barry
Stanton's fine Falstoff in Henry IV
is an excellent foil to Michael Pennington's angular Prince Hal. In
Roofiels, Six slevs in reportory, 643

Opera and Ballet

Reyal Opers (Covent Garden). Jon Vickers returns for what may well be his final series of Peter Grines performances in London, with Jose-phine Barstow (Ellen Orford), Victor Braun (Baistrode), and John Barker as conductor of the Rijah Moshin-eles reclientes. Final performances as conductor of the Elijah Moshin-sky production. Final performances of the Incid, well-plotted new Nicho-las Hytner production of Tippett's The Knot Garden, conducted with vigour and intensity by Sian Edwards; Anne Howells, Anna Steiger, and Linda Kitchen are the stand-out members of a generally strong cast.

strong cast. agitsh National Opera (Coliseum). Two fine Nicholas Hytner ENO pro-duction bulk large in the repertory duction bulk large in the repertory

— Handel's Xerxes, conducted by
Charles Mackeras, with Ann Murray and Valerie Masterson, and the
wholly delightful new Magic Finte,
with Thomas Randle, Susan Bullock, and Nicholas Folwell. The
revival of John Cox's 1980 Cost Fan
Tutte production rejoices in the
return of the original Flordiligi and
Dorabella, Felicity Lott and Della
Jones, both in superiative form.
Royal Ballet (Covers Garden). Royal
Ballet dances Ondine today and on
Wednesday.

Amsterdam (Muziektheater), Netherlands Opera in Der Entfiltung zus dem Serzil by Wolfgang Amadens Mozert, directed by Helmut Poliza. The Netherlands Philharmonic con-Continued on Page 19

A FINANCIAL TIMES INTERNATIONAL CONFERENCE

DOING BUSINESS WITH EASTERN EUROPE

Budapest, 21 & 22 June, 1988

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Mr János Fekete First Deputy President National Bank of Hungary

Dr Jaromir Matejka Deputy Minister & Secretary to the Governmental Committee for the Questions of the Planned Management of the National Economy Federal Government of Czechoslovakia

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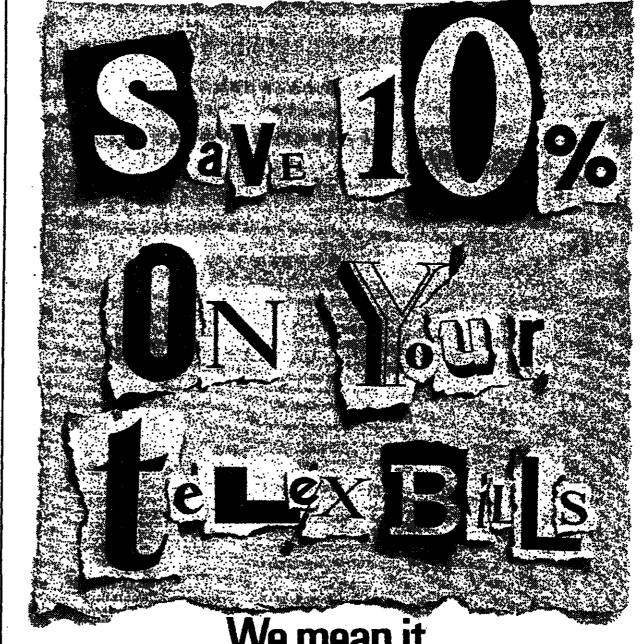
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Cinema/Nigel Andrews

Polemics with kitsch

Paimer The Last Emperor), the movie has On The Black Hill directed by a merry time booing the villains Andrew Grieve A Prayer For The Dying directed Prince Of Darkness directed by John Carpenter Travelling North directed by Carl night. There is Lenin, waving at Schultz us out of old bio-pics. And there

Tony Palmer's Testimony, a polemical bio-pic of Shostakov-itch in which the persecuted Russian genius fights the good fight against his Soviet tyrants, is grandiloquent, derivative and very very long Scripted by play-wright David Rudkin, it thunders along in wide-screen and black-and-white for 157 minutes and 50-odd years, policing Soviet history while itself being pur-sued, I strongly suspect, by the Plagiarism Police.

There are bits of Eisensteiriners are bits of Eisensteiniana here (quotes from or homages to October and Potemkin): hits of Wellesiana (vest. Gothichit rooms with low ceilings and looming shadows): and bits—well, whole chunks really—of Kep Russell. Former TV Omnibus director Polymer has correct the director Palmer has caught the K.R. bug badly. When in doubt, throw in a bit of naughtiness, vaudeville or cartoon elephantia sis: (like the scene where Shostakovitch's teacher Glazunov takes his class sitting on high sur-rounded by giant alphabet

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It is amazing in the circumstances that any of the film works. But a fair proportion does. Unlike Palmer's last venture, Wagner, which dragged along in full costume for what seemed forever, robed in great acting like a peer drowning in ermine, Testi-mony has an animating animus. It is out to get the Soviet Union and it is not about to let go. Ben Kingalay's composer is the unblinking eye of the polemical hurricane: a squat, burned, star-ing little man who believably spent his life steering between the fires of creative freedom and those of totalitarian tyranny. Kingsley gives the film an unassallable human core, which even transfigures the pompons dia-logue. (The script is rich in lines like "No, it's the music matters, not me," when our hero refuses

last Friday night for a new production, in English (with titles), of Benjamin Britten's Peter

Grimes. If there was any lingering tension backstage it was not evident in the performance, which moved smoothly.

It also moved without much excitement. The character of

Peter Grimes is so rich that inter-

preter Grangs as so that data mean preters as diametrically different as Peter Pears and Jon Vickers can create widely disparate but equally convincing imperson-ations. Jacques Trussel, however, was all external. He went

through the motions; but the deep inner compulsion, the tor-mented self-destructiveness were

simply not there. And until the

last act, when he was finally persuasive and vocally effective, his singing was also uninteresting.
Jean-Piere Ponnelle was the designer and the producer; but

because of his illness, Ponnelle's

staging was realized by Lorenzo

Testimony directed by Tony those by Pu YI which inspired Palmer The Last Emperor), the movie has and cheering the hero. There is nasty old Stalin (Terence Rigby) putting the frighteners on musi-cal freedom while worshipfully attending Boris Godunov each is the march of cloven-hooved Soviet history: thundering now through diabolical villainy (the show-trial purges), now through mighty heroism (the siege of Len-

This is entertaining stuff, but it is also 2% hours of galloping kitsch. Pause for a moment's sober thought during Palmer's assault on your senses - which only once shows a moment of true originality, when a curtain of red blood pours down the monochrome screen after Shosta-kovitch's first crucifixion by the Russian press - and the film's simplifications unravel before your eyes. Is history, even Soviet history, such a pantomime play-off between goodies and bad-dies? And should we really accord artists runner-up status after saints and martyrs in the Great Human Sanctity Sweep-stake? Beware of artists who say we should. They have a vested interest.

On The Black Hill is another slice of history spanning most of this century. Early on, as he sets up novelist Bruce Chatwin's saga of border folk for the screen, British writer-director Andrew Grieve looks as if he might be about to subject us to trial by soap-opera. Will grizzled Welsh tenant farmer Bob Peck make a go of marriage with prim English vicar's daugh-ter Gemma Jones? Will their twin sons (Robert and Mike Gwilym) go off to WW1 together? And who will win the vicious land feud between Peck and his farming neighbour (Eric Wynn)?

But Chatwin's story is sterner stuff than a "Welsh Enders" and the movie reflects it. The tension between the two near-telepathic brothers, in whom mutual empathy wars with a desire for individual identity, is a pocket-mirror image of that between Wales and England. And there is a true whiff of emotional gunpowder in based on Shostakovitch's post-bamously published diaries (about whose authenticity there

Peter Grimes/Maggio Musicale, Florence

William Weaver

of understanding. To make all the inhabitants of the Borough

dress alike underlined their rigid

personality. The men in uniform slate blue-grey looked like so many policemen; the Boar had no

many policemen; the Hoar had no sense of refuge (the storm was very inadequately staged); and Peter's hut, specifically described as shipshape, looked like an undergraduate's room towards the end of term. The predominant monochrome stage-picture shipsed a rivel church and graye.

showed a rural church and grave-yard, half-buried in the sand of a beach: an unlikely spot for wor-ship or for eternal rest. The con-tradictions of the staging were

evidence of deeper uncertainties about the whole significance of the opera. It is, after all, the work of a convinced pacifist and of a

card-carrying communist. It makes social statements: none of

Mariani. For whatever reason, the singers' movements looked unnatural, forced — even though it was appropriate that the Ellen much to advance the cause.

them came across,

conformity, but it also made for visual dullness and a sameness of parsonality. The men in uniform Bainbridge's Auntic Roderick Swal.

Wuthering Heights, Etc." Grieves, his feature debut as director here sponsored by the British Film Institute, knits the episodes and epochs together so the film never sprawls. The bor-der country landscape, superbly photographed by Thaddeus O'Sullivan, imposes its own breathing, unifying presence: a vast, rain-rich carpet rucked up against the heavens. And the actors live, strive, quarrel and age-with a moving mixture of bucolic stoicism and cosmic defi-

In a busy week for British directors. Mike Hodges (formerly of Get Carter) has drawn the short straw. A Proper For The Dying is a piece of desperate inanity based on a Jack Higgins novel. Disillu-sioned IRA gunman Mickey Rourke wants to hang up his shotgun and emigrate, but in return for the forged passport he requires, super-crook Alan Bates wants him to do One More Job. Rourke does it, but is witnessed in mid-murder by Father Bob Hoskins. Rourke promptly vanishes, only to re-surface cunningly in the confessional, after which the Rev Bob cannot, of bunch of students and scientists course, blow the whistle.

Also involved in this creaking narrative contraption, as justice
Of course they can. In spite of closes in and tension endeavours the doubters - "Why do I want a to mount, are Bob's blind, organPh. D. in this?" complains somererris Wheel and several naked men jumping off a ship. By half-way the piot is so thick you could re-mortar the church walls with it. But none of it is remotely believable, and only Bates, camping it no and a several naked call effects go yuk all over the screen. It is all as predictable as Hogmanay and about as depressing it no and a several naked call the several believable, and only Bates, camp-ing it no end up as Mr O'Big Decades ago I saw Leo McKern ("For me death is an art form"), on stage as the unlikeliest Peer ("For me death is an art torm , on stage and probably the best salvation lies in parody. This short-breathed, growling, apoplectic fatty — the compinant are coming later — are up and are u their movie, re-edited by other the stage and has now graduated hands, is a mutilation. But how-the stage and has now graduated the stage and has now graduate

Nor does the week's hmacy end sland's paradisal shores to here. In John Carpenter's *Prince* "retire," and there they do battle inside a canister in the vault of neighbour (Graham Kennedy), "St Godard's" church in L.A. with missives of family distress Despite a generous shelf-life of 7 from Melbourne (where Miss million years, the green liquid in Blake's unhappily married the canister, comprising Satan's daughters live) and with the spirit, is about to come alive. Can attentions of a magisterially the Rev. Donald Pleasence and a unscientific Jewish doctor (Henri times be right.

enjoyable heard all evening. The Balstrode of Thomas Stewart was full of authority and humanity, a

Kennedy was an idiomatic Swal-

low, though Ponnelle turned Ned Keene into a kind of song-and-

dance man, Timothy Nolen man-

aged to create an incisive little miniature.

The Maggio musicale chorus, prepared by Roberto Gabbiani, coped well with the music, less well with the English words. The Florence orchestra also did a good job; the numerous little solutions and the contraction was all a ways all

passages were all expertly played. But the young conductor,

Spiros Argiris, most of the time

simply led his forces through the score. Though all of Britten's Operas have at some time been

given in Italy, they are still a long way from being a part of the



Bob Peck and Gemma Jones "On The Black Hill"

recruited for exorcism win through?

Decades ago I saw Leo McKern on stage as the unlikeliest Peer ever you chose to assemble the elling North he plays a dickypieces of this jigsaw, it could hearted old widower who teams up for autumnal romance with a still-pretty middle-ager (Julia Blake). They hoof off to Queen-Of Darkness the Devil is trapped with an intrusive, barbecue-mad

Szeps). ("You don't need to know the details" is his response to every patient enquiry).

Scripted by top Aussie playwright David Williamson and

directed by Carl Schultz, the film is everything that *On Golden Pond* should have been and was not: incisive, unsentimental and genuinely moving without making meretricious grabs at our tear-ducts. Above all, the film is willing to sattrise its characters as well as celebrate them. Miss Blake's distrait, greyhaired newlywed is clearly rebounding from a history of failed relationships (see the mess she has made of bringing up her daughters). And McKern's cantankerous ex-Communist (based on Williamson's own father-in-law) is a man born to raise hackles whenever they

are put before him. The movie never makes the characters' shortcomings "lov-able." It merely shows them to be the price worth paying in the contract with raw human fallibil-

ity that most human relationships must sign. Fierce, funny and touching, Travelling North was 1987's mos nopular Australian movie in Australia: which shows that public taste can some

Aida/The Place occupy the offices. Rodney Milnes Cut-down grand opera, even with is the deliberate amateurishness a measure of disrespect thrown of the proceedings: camp jokes in, can be a perfectly valid artishave to be better. The Ballet

clocking on and jostling for position within the group. Much dence described in writing of As Mrs Andrews proudly energy is expended garrulously some subtlety and acting of great remarks, "For every wino spewtic experience, and the Pocket egyptien routines that do service Opera of Nuernberg has built a for the public scenes are simply certain reputation in this line. not slick enough, and over all telling each other to shut up. The depth. Inviting them to London is one of there hangs a fatally heavy, tri-many admirable features of the umphally arch Teutonic enterprising London Interna-rogueishness. What saves the dialogue is accompanied by the sage supper, there's a wine bar brisk snipping, finishing and fold-"Businessmen and artists, clowns opening now!"

The Shaughraun/Olivier

Michael Coveney

National Theatre must be place names just as the very allowed their turn at the melo-same actor, Shaun Scott, did as dramatic old reprobate's reper-another soldier in Brian Friel's toire. His most renowned place *Translations*. Conn., just like (pronounce it "shock-rawn") has Synge's Christy Mahon, is cursed been magnificently revived in the with a tyrannical parent. And the Olivier by Howard Davies, with physical action of Fenian hero-designs by William Dudley that ism under-cover refuge and are the first to take full magical police agents is the model for up the scent.

advantage of what the hydraulic later Troubles and other plays by

Stephen R revolve can offer.

The whole of County Sligo is ontories, grey-stoned prison walls and peasant cottages, with a great band of glittering starlit sea beyond. The action is set shortly after the Fenian uprising of 1866 and the Republican hero Robert and the Republican hero Robert
Ffolliott (Fintan McKeown) is on
the run from both "the polis and
the sodgers." He has been rescued after transportation to Australia by Conn "the shaughraun."
or vagabond, "the soul of every
fair, the life of every funeral, the first fiddle at all weddings and natterns."

Boucicault became extremely wealthy performing and produc-ing The Shaughrana - he played Conn himself at the premiere in New York in 1874, aged 55 - but he also arranged benefit perfor-mances for families of political prisoners in Ireland and Austra-

The NT does not sell us short on the excesses of the melo-drama, but the sentiment is con-

The Royal Shakespeare Company ism and truth in performance. fully risible. The chase across the scored a big hit with Dion Bouci- The English soldier, Captain Mol-cault's *London Assurance* so the ineux, fumbles with the Irish tural landmarks amazingly disap-

O'Casey.
The production leans continuruins, abbey arches bestrewn dry. This notable achievement with ivy, Virgin statues on prom- allows us to enjoy the play for



Stephen Rea

Sligo landscape, with architecpearing over crags and materialising in perspective miniature, is both genuinely funny and exciting. The villains are superbly played by Stephen Moore and Anthony O'Donnell, the latter buffetted by his own colleagues each time he turns round to pick Stephen Rea is back at the

National as a sly and thoroughly disarming Conn, brilliantly athevoked, a place both mythical ously against the hald banality of letic in the comic set piece of his and realistic in its crumbling the writing without squeezing it own wake (the embarrassing keening of the women is here transformed into rich comedy) and accompanied by a little brown terrier who loyally plants himself among the candles on the catafalque. Rea's steely charm can melt without turning saccherine, and he carries the play

with irresistible energy.

The cliches of the plot are undermined by the warm playing of Felicity Montagu and Eve Matheson as the afflicted and finally abducted cousins. Robert Urquhart is properly considerate as their clerical uncle.

The overall impression is that

the National has come up with a Christmas treat at the first sign of summer. The handsome restoration of this great milepost in Irish dramatic literature (not seen in London since Cyril Cusack played it 20 years ago) is compounded by the costumes of Liz da Costa and the wonderful West Coast melodramatic score

shivering violins, walling pipes and high drama – by Dominic Muldowney.

The Factory Girls/Mayfest, Glasgow

Michael Coveney

sure from home to resume her domestic station. Two of the

girls, the solitary Rebecca (Marie

strike up a supportive friendship.

Old dotty Una (Doreen Hepburn)

proves a stalwart in adversity. having turned up with an electric

seen at the Tron as part of Glasgow's Mayfest, Frank McGuinness's new play has now come to London's Riverside Studios. The Factory Girls is a decent, scrupulously well written piece of feminist consciousness-raising in a Donezal shirt factory, but not a mendless supply of brilliant white shirts. The girls are together" reports Marcella Evaristic in her very funny late-night monologue, Visiting Company, also at the Tron. What with The McGuinness is far too good a writer to render any of this dull condition that they turns out to be) and Mayfest Donegal shirt factory, but not a

ted from the author of Sons of (Catherine Byrne) is under pres-Garry Hynes's notably well acted production for the Druid Mullen) and the young no-hoper Rosemary (Tina Kellegher). Theatre Company is a subdued and reflective look at aspects of the Celtic story rather different from those raucously celebrated in Wildcat's football cabaret in the Pavilion. New Catholic manfire and a supply of toilet rolls and Bushmills whiskey – "the bare necessities of life." agement in the shirt factory has led to a tailing off of the Protes-

tant orders. As redundancies loom in a proposed "modernisation" programme, the women The first act is a traditional work play, the five girls, led by the ebullient Ellen (Pat Leavy).

of the women's cause, but that becomes secondary to the shift-

Donegal shirt factory, but not a or mundane, but there is a rhyth-work of the poetic density and mic predictability about the sec-brilliance we might have expec- ond act developments. Vera flat cap and sandblasted itself in the face.

> backlash, and no-one is better placed to start the ball rolling than Miss Evaristi, as accomplished a performer as she is writer. In a livid green two-plece suit and floral bat, Mrs Andrews is "up-fronting a gala" and standing in for her indisposed councilfor husband at a conference of The priest who will not come is sadness in her personal life, and say Mass for them because he disapproves of their action is sadly demolished by Una. We are left in no doubt as to the instant.

But there is so much to celebrate in Glasgow these days, not just in the arts, but in the whole ing up his Special Brew and sau-

The Worm in the Heart/Drill Hall

Claire Armitstead

The distinguished Irish journalist
Nell McCafferty brings to her
first play a passion and an ability
to manipulate words, issues and
images that are not yet matched
by her skills as a dramatist, yet
least of the chart of the colory of worms burrow
to know quite how to take her
ing into the heart of "the daughter of the last of the full-time
doesn't kill men" when applied to
mothers." In a nod to her original
by her skills as a dramatist, yet
least the chartie stream of the
list to chart the charter to the prisoners in respendent to the prisoners in the prison score, or its sound, is left: the overcome almost anything. Most Nell McCafferty brings to her resulting running time is two overcome almost anything. Most Nell McCafferty brings to her remarkable is Elizabeth Kingdon first play a passion and an ability hours including interval. Huge (Amneris), whom I remember as chunks are omitted, and there a lyric soprano in Bielefeld some images that are not yet matched images that are not yet matched by her skills as a dramatist, yet despite the chaotic sprawl of its references The Worm in the Heurt is profoundly troubling. It is really an illustrated discourse for one performer, which takes its title and its starting point from a lecture title: "Romance is the worm in the heart of feminism." Ah yes, muses the pregnant bride on the eve of her wedding, how well she remembers her parents dancing together, even when they weren't on speaking terms.

But McCafferty is too smart to accept any such statement at face

Irish women's movement she and I find it even harder to see hurtles through such historical how Aids fits into the picture. On trailblazers as the storming of the mens' loos by secretaries at the positive side, the piece is the Dail and the seizure of the blessed with a devilish sense of right to drink pints in pubs, linhumour and a performance from gering with a journalist's eye for Ruth McCabe that creates little gering with a journalist's eye for Rith McCabe that creates little human interest on the particular pockets of drama where none failures of feminism — tragedies would seem to exist. When she such as Anne Lovett, who died in childbirth at 15, and Joanne dropped his plans to tax sanitary Hayes, the young mother at the centre of the Kerry Babies scancellar to talk dal. It is easy to forget just how much ground lrish women have plished raconteur is at work; to gain in again that most of up the property of the to gain in areas that most of us to gain in areas that most of us when she mourns the demise of take for granted.

In that light her loading of the heartstrings, worms and all, injustice towards women is for-

Arts Guide

So far so naughty. The problem after the outlandish.

tional Opera Festival. evening – just – from being a There is a cast of six and a write-off is the singing. Ute Ruep-band of five, the latter unduly pel (Alda), Sigurd Karnetzki

band of five, the latter unduly pel (Aida), Sigurd Karnetzki dominated by a synthesiser (Radames) and Lorenzo Jordan rather too often in its doorbell- (Amonasro) have decent voices,

chime mode. Not too much of the and in Verdi decent voices can

are unmusical internal cuts. Not, 30 years ago. Her voice may show then, an evening for purists. its age, and she may look and Narrative is largely dispensed (with half of Hatton Garden on

with. The punkish action seems her false eyelashes) carry on like based on the tyranny of the incredible Orlando, but you record industry. Aida is imprise certainly know when she is on

oned in a huge collar of LPs; stage. Her resort to break-danc-Radames's triumphal necklace is ing at the end of the Judgement made of slightly foxed CDs, and Scene is one of the most unusual

both Ammeris and the King sport things I have seen on the oper-one in their hats. In the second atic stage. But it is not quite

Continued from Page 18

ducted by Hartmut Hänchen, with Birgit Fandrey, Oliver Tobias (Tue,Thur) (255 455). The Hague (Danstheater). The National Ballet dances in Carolyn Carlson's Shamrock set to to music by Gabriel Yared (Tue, Wed) (60 49 am.

part the floor space is littered

with broken discs. The set is dec-orated with electronic circuits.

NEW YORK

American Ballet Theorre (Lincoln Center Opera House). Spring season highlights include the world premier of Mark Morris's Drink to Me

chants, the three local premieres in the programme display the drama in Morris's choreography. Ends May

PARIS

Faust (Paris Opera). Performance conducted by Alain Lombard with Faust sung by Alberto Cupido/Jean Dupony; Mephistophetes sung by Jose Van Dam/Jean-Phillippe Courtis, and Marguerite sung by Rossini, conductor Pabrizio Ventura (Mon. 19.00). (51444, ext 3318/9).

Gabriella Benackova/Michele Lagrange. This alternates with Spectacle de Ballets (47 42 53 71). Carolyn Carlson (Thashre de la Ville). Dances in Dark, a premiere of a fantasy on images of angels created by 16 dancers. (42 74 22 77).

enough to recommend perfor-

mances on Friday and Saturday to any but the most avid seekers

Pine Bausch and the Wuppertal Tanztheuter (Theatre de la Ville) with Ahnen, in which choreography reflects her gentler and sadder feel-ings about human relationships. (42

American Ballet Theatre (Lincoln Center Opera House). Spring season highlights include the world premier of Mark Motth's Drink to Me Only With Thine Syes, set to Virgil Thompson's score and Santo Loquesto's set, along with the new productions of Gafte Pariatenne choreographed by Leonide Massine and Raymonda choreographed by Mikhail Baryshnikov after Pepita. (362 6000). Ends June 11.

New York City Ballet (New York State Theatre). Celebrating its 40th anniversary, the company has commissioned 20 works including five with new scores, that punctuane the Balanchine, Robbins, Martins repertory with pieces by Ler Luvovich and Paul Taylor among others, Ends June 26.

Mark Mort's Dance Group (Brooklyn Academy of Music). Set to music ranging from Mozart to Hopi Indian chants, the three local premieres in the programme display the drama in Algert's bycarterials. sini, conductor Claudio Abbado; Patrizia Pace, Agnes Baltsa, Ferruc-to Furlanetto, Alessandro Corbelli, Franco Lopardo. (Wed. 19.00) Tchal-kovsky's Eugene Onegin, conductor Seiji Ozawa; Gertride Jahn, Peter Dvarsky, Nicolai Ghisarov, Wolf-gang Brendel (Fri. 19.00). (51444, ext 2020-2081)

ITALY

May 13-19

Rome, Teatro Dell'Opera. Richard Strauss's Salomé, conducted by Enrico Job, with Lia Frey Sahine int e title-role (fully dressed). Also in the cast are Horst Hesstermann, Elizabeth Glauser and Peter Webber (Edda Moser will sing Salomé at some performances). (Sat, Tues, and Thurs).

Milan, Teatro Lirico, Tsar Saltan by Rimsky-Korsakov (sung in Russian) in Luca Ronconi's production, designed by the architect, Gae Aulenti, with costumes by Giovanna

designed by the architect, Gae Aulenti, with costumes by Giovanna Buzzi. The cast includes Piotr Nowasky, Gloria Banditelli (alter-nating with Nicoletta Curiel), Joselia Ligi, Bernadette Manca Di Nissa, Juri Marusin (alternating with Joseph Evans and Aldo Bra-mante). (Fri. Sat. Sun, Toes, Thur) GG 51 187 (86.64.18).

Milan, Teatro Alla Scala, Donizetti's Mian, Teatro Alla Scala, Donizetti's L'Elisir d'Amore produced by Andree Ruth Shammah with scenery by Giorgio Cristini and with costumes by Jacques Schmidt. The cast includes Carmels Apollino, Alida Ferrarini, Claudio Desderi and Goesta Winbergh (Wednesday) (80.91.28.).

Genoa, Teatro Comunale. Puccini's Tosta in Attilio Colonnello's production conducted by Daniel Oten, with Raina Kabaivanska (alternating with Adriana Morelli), Guiseppe Giacomini and Silvnao Carroli (Sunday, Tuesday and Thursday) (569.328).

Naples, Testro San Carlo. Roberto de Simone's production of Rossini's Ermione (with scenery and costimes by Enrico Job), conducted by Gustav Kuhn (in collaboration with the Rossimi Opera Festival at Pessro). The cast includes Montaerrat Caballe, Kathleen Kullman, Chris Merritt and Robert Gambii (Friday, Sunday and Wednesday) (417.144).

Saleroom/Antony Thorncroft More Impressionist highs

night earlier, which totalled over was a record and far ahead of \$94m. with nine new artist estimate.
records, Christie's had to pull out All these works went to private the stops — and it did so, setting collectors as did a Giacometti its own high for a New York sale sculpture, "Trois hommes qui of \$63,173,000 (£33,424,867), for marchent," conceived in 1948 and seventy two lots, and also establishing nine artist records. Per £2,037,037, setting a double haps most remarkable was the record, for the artist and for any

pointment. The most important artist records were the £1,164,021 painting on offer, a portrait by paid for "Le dejeuner" by Leger Van Gogn of Adeline Ravoux, the and the £935,000 for "Le pad-daughter of the inn keeper at dock," a 1925 racing scene by daughter of the inn keeper at Auvers where he spent his last Dufy.

(Perhaps not by chance Sothfor \$13,750,000 (£7,275,132), rather eby's announced yesterday that it less than had been expected for was offering a superb Monet. such an important work. It was one of the last paintings by Van wife lying in a meadow, in its

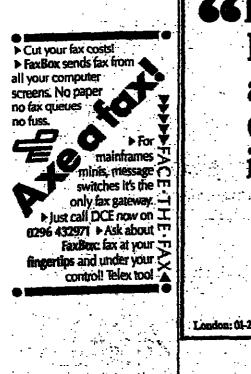
In New York on Wednesday night the spotlight switched to Christie's major sale of Impressionist and modern paintings. After the success of Sotheby's auction a who moved in Parisian circles. It

low unsold level of 5 per cent. work of 20th century sculpture. Obviously artistic masterpieces "L'ombrelle" by Renoir, depicting seem very attractive to the a young lady shielding herself world's rich. Perhaps they know from the sun with a parasol, something about the future trend of stock market prices. of stock market prices.

There was one slight disapf1,746,031. Two other noteworthy

"Dans le praire," showing his Gogh, and is a poignant mix of London sale on June 28th. It is olues.

As compensation there were record for Monet). In Monte Carlo As compensation there were some impressive artist records, on Wednesday night Christie's most notably the £2,325,042 paid for "Le pont de Chatou" by Vlaminck. "Fauve" paintings of this record for a Grand Prix car at quality are rare on the market auction. It will stay in England.



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FINANCIAL TIMES

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Friday May 13 1988

Mr Rocard's task

THE NEW French Government starts with a considerable capital of goodwill at home and abroad. That is as well, because the tasks it faces are far from simple. One way to sum them up is to ask how far the French are willing to see their politics and their conomy refashioned on a West Ger-

Chosen as a symbol of openness towards the centre, Mr Michel Rocard has been unable to persuade any front-rank æntrist politicians to join his Govern-ment. Instead he has fallen back on reappointing most of the Socialist ministers of 1984-6, in what looks almost certain to prove a holding operation.

Anxious not to appear self-serving and treacherous, the centrists feel constrained by their election to the present parlia-ment on a platform of united conservative opposition to socialism, and have so far been prepared only to say that they will "judge the Government by its actions", that is on the merits of each pro-posal as and when it comes

nore mem. This would amount to precisely that subjection of government to the whim of a shifting parliamen-tary majority which the institu-tions of the Fifth Republic are designed to prevent. If the cen-trists stick to that line they will provide the President with a good excuse, indeed a valid reason, to call new elections, in which few centrists can hope to hold their seats unless they renew their alli-ance with the right.

FDP-type role

Many of the centrists aspire to play the role in French politics that the Free Democratic Party plays in West Germany. But West Germany has a proportional elec-toral system and the FDP has shown itself willing to switch partners before rather than after a general election. For French politics to assume the German pattern France would have to emulate Germany in one or both of those respects.

Seven years ago Mr Mitterrand's victory caused dismay, not to say panic, on the French stock market and a run on the franc. That nothing of the kind has happened this week reflects the mar-

suring in that respect because he was the one major figure in the Socialist Party who made known his disagreement with those policies even at the time.

Article of faith

It has become an article of faith with French Socialists that the cycle of inflation and devalu-ation - the traditional escape route of French governments is no longer viable now that France's economy is indissolubly linked to those of its European partners. They are determined to maintain the franc at its present parity, and the market clearly believes them. Yet the inflation differential since the last realignment in the European Monetary system in January 1987 has aiready pushed the franc up between 2 and 3 per cent against the D-Mark in real terms. There is clearly a danger that this Gov-ernment, like so many of its leftwing predecessors on both sides of the Channel, will forfeit the initiative by staking too much on the defence of an overvalued cur-

Of course the French, like those in Britain who argue for full EMS membership, regard the link to the D-Mark as a valuable anti-inflation discipline. But at the same time they are acutely aware of the danger that West German caution will impose the present snall-like West German growth rate on Europe as a

President Mitterrand has devoted much of his energy to cultivating a close relationship with Bonn, partly with a view to gaining some influence over West German economic policy. Clearly he would not wish to jeopardise this influence by initiating an EMS crisis. The trouble is that so far there is little sign of French influence having any measurable

Meanwhile, if devaluation is ruled out, the only alternative escape route is to make French industry competitive with German by holding labour costs steady and increasing productiv-ity, which could only be achieved by a policy of resolute liberalisation and deregulation. The ques-tion is how far this will prove ket's confidence that he and his compatible with Mr Rocard's Socialist friends have learned the commitment to the "social treat-lesson of their mistakes in 1981. ment" of France's economic and

Clearing the centre

THE DEPARTURE of Mr David reshape his party's policies Steel from the joint leadership of accordingly. The trouble is that the Social and Liberal Demotratic party leaves the centre number of features that are likely ground of British politics wide to repel possible recruits from open. Mr Steel has tried for the undemocratic constitution, the undemocratic constitution, the ground: although his tactics may have changed significantly over the years, his guiding light all along has been a sense of the need to break off the right wing of the Labour Party so as to bring about a realignment of the cen-

In doing this Mr Steel has made a major personal contribu-tion to British politics, although it cannot be said that his efforts have been crowned with success He came close to that when he formed a pact with the then Labour Prime Minister. Mr (now Lord) Callaghan, and perhaps closer still during the early, heady, years of SDP ascendancy in popular opinion. But at the end of the day the non-Tory parties are as divided and quarrel-

ties are as divided and quarrel-some as ever.

There are now three possible routes towards the formation of a viable opposition to the Conser-vatives. One would be for the leader of the Labour Party, Mr Neil Kinnock, so to hasten and broaden the reformation of his party that voters who might oth-erwise be tempted to support the erwise be tempted to support the Democrats support Labour instead. The other is that the Democrats themselves, under a new-leader now to be chosen, win the broad centre ground and knock Labour out. The third is that both parties behave in such a way that an electoral pact between them becomes possible.

Shifting balance

All three routes lie across the centre ground of British politics. centre ground of British politics.
All three depend in part on
embracing the basic social market economy and perhaps shifting its balance towards greater
care for the losers. Mr Steel signally failed to grasp this. Yet all
the evidence relating to the postwar behaviour of the British electowards indicates that there is no the evidence relating to the post-war behaviour of the British elec-torate indicates that there is no hope of victory for a left-inclined Labour Party. This is understood by Mr Kinnock; he is trying to

block vote system and, perhaps most damaging of all, the umbili-cal connection with the trade

Thus for the time being, at least, the Labour Party is unlikely to regain its position as an alternative government in whose possible victory at the polls people can believe. Without that belief, it will remain only half an opposition.

ously thought: in last week's local elections, they scored close to a fifth of the vote and effectively wiped out Dr David Owen's splinter group. Since that much same reason. Y K Pao, the Far was achieved in deeply adverse circumstances, the assumption must be that a new leader can now do better. Of the likely candidates, Mr Paddy Ashdown looks best placed to give the party the processory with the processory with

party the necessary push.

The lesson of Mr Steel's years adept tactician, but his interest in the details of policy was limited. Both can be positive qualities in a political leader, but in Mr Steel's case the most vital ingredient was missing. This was an ability to mit server the staff. ingredient was missing. This was was planning a rights issue.

an ability to put across a set of values in which people could out the attendance of a Standard

There is no mistaking the valthere is no mistaking the values of what has come to be known as Thatcherism. Voters may not support old-style Socialism, but they know what it is. When it comes to the Democrats, however, the central ethos remains a mystery. There is a vague idea of what it is not (it is not that herits and not Socialism). The only ghost from the past most Thatcherits and not Socialism. not Thatcherite and not Socialist), but little of what it is.

David Buchan in Brussels analyses the EC's proposed liberalisation of capital movements

THIS WEEKEND finance ministers of the 12 member states of the European Community will gather at the German coastal resort of Travenunde for reflection before taking a major leap into the unknown and deciding to free all move-

unknown and deciding to free all movements of capital throughout the Community.

The "unknown" is that while capital liberalisation is just one of the nearly 300 approved or proposed directives designed to create the single EC market by 1992, it has potential consequences that go far beyond the 1992 programme. It could turn out to be a rung on a ladder leading to a common European monetary policy and even to the establishment of a European central bank with all the pooling of national sovereignty that would imply.

West Germany, as current president

West Germany, as current president of the EC Council of Ministers, has expressed high hopes that the finance ministers will pass the capital liberalisation directive in early June, knowing that otherwise the remaining six weeks of its presidency could pass without any important step towards the single market. In addition, Chancellor Helmut market. In addition, Chancellor Helmut Kohl said this week that, while the time was not yet ripe to create a European central bank, the issue would be discussed by EC heads of government at their Hanover summit at the end of June. His Foreign Minister, Mr Hans Districh Genscher, has already suggested that the Hanover summit should set up a Wise Men's inquiry into the feasibility, etructure and timing of the feasibility, structure and timing of creating such a bank.

Might, therefore, 1988 see as big a

leap in European monetary affairs as 1978 did with the creation of the European Monetary System and its knitting together of most EC currency rates? There is certainly deep scepticism about fresh plans for anything approaching European monetary union. It is rooted in a widespread consensus that such a union inevitably implies a common economic, budgetary and fiscal policy, and that anyone who thinks a European government is just round the corner is hallucinating. The Community has consistently missed any past deadlines it has set itself in this - notably the 1970 Werner report's call for economic and monetary union by 1980, and the 1978 agreement, at the time of the creation of the EMS,

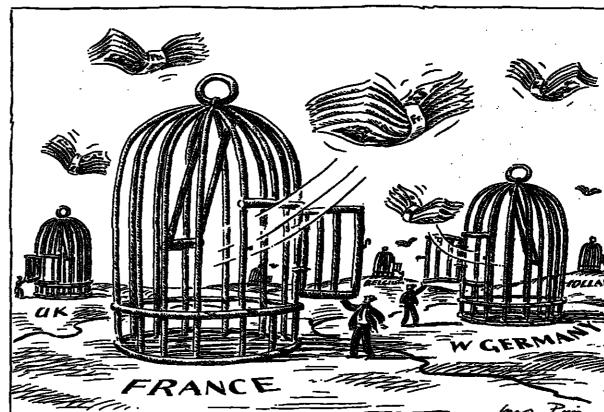
to establish a European Monetary Fund by 1981 as a sort of half-way house to a

central bank.

It is therefore more than a little surprising that the central bank issue has been raised again for serious debate. Mr Edouard Balladur, then French Finance Minister, put it into play at the end of last year by posing a series of questions about a possible central bank for study by his fellow finance ministers, and proposing some shorter term reforms to the EMS. He lost his job this week, but there is no reason to suppose his successor will have any less interest in monetary reform. Probably to Mr Balladur's surprise, his propositions have since been batted back and forth by Mr Giuliano Amato, the Italian Finance Minister and, in West Germany, by Mr Gerhard Stoltenberg, the Finance Min-ister, Mr Karl Otto Pöhl, the Bundes-bank president, and Mr Genscher.

"The bizarre thing is that so far ministers have written more on this than their officials," comments one EC Commission official. But it is hardly surprising that the politicians have been unusually moved to put pen to paper. The monetary reform debate is highly political, going beyond the technicalities of intervention and currency volatility in the EMS to issues of jobs and

It reflects a sea-change in Europe's decade-long consensus on a joint fight against inflation, as price rises slow to against mination, as price rises show to a rate which a number of governments regard as acceptable for the long term. There are growing complaints by Ger-many's EMS partners, chiefly France and Italy, that relative under-valuation of the D-Mark and over-valuation of



Setting Europe's money free

German export surpluses and stopped them expanding fast enough at home. In a sense, what Paris and Rome would really like is places on the board of the Bundesbank, which essentially sets monetary policy for the EMS. But since they cannot get that, they have refloated the idea of a formal European central bank. Much has been made of the nuances in the various responses from Bonn and Frankfurt. But the basic message of Genscher, Stoltenberg and Pöhl to West Germany's partners is: if you want to join us in the driving seat, the Euro-bank would have to be a wehicle of German design, legally committed to price stability and, like the Bundesbank, independent of governments. The very thought of such a model may, in the end, be enough to frighten Roun's partners into decoming frighten Bonn's partners into dropping

The catalyst for these arguments is the imminence of the EC directive on capital liberalisation. With longer derogations for newer or poorer member states, this would, sometime in 1989, lift all remaining controls on short-term financial transactions unrelated to trade or direct and equity investments and let all citizens open bank accounts in other EC states. The move is an essential complement to other EC measures to allow the cross-border provision of financial services. But it has tary policy.

No one disputes the potential for quicker, sharper jumps in EMS rates, with short-term speculative money free to slosh around Europe. Nor does anyone challenge the logic that if member states want to maintain the currency stability of the EMS and to reach the degree of economic integration only degree of economic integration only achievable through complete capital

monetary, or economic, policies.

The link between capital liberalisation and reinforcement of monetary co-operation has already been clearly made. Last September's Basle-Nyborg agreements reinforced both the credit facilities (more money for central banks to intervene to support curren-cies within their margins in the EMS parity grid) and the co-ordination mechanisms (more quantified enclavis mechanisms (more quantified analysis by central bankers and finance ministry officials of exchange and interest rates movements). These changes were prompted by the botched co-ordination

between France and Germany that led

to the January 1987 EMS realignment. This was widely regarded as "unnecessary" and "forced" on governments by

the markets. But the changes were also seen as vital to bolster the EMS in an era of free-moving speculative capital. As far as the EC Commission was As lar as the FC commission was concerned, the Basie-Nyborg accords were a necessary, and sufficient basis for it to table its capital liberalisation proposals a month later. Indeed, the agreements proved their worth when a series of co-ordinated Franco-German interest moves and French intervention kept the EMS steady during the late autumn fall of the dollar. However, the Commission has not been unhappy to see its capital liberalisation proposals spark a debate about monetary reform. It may have limited competence for monetary affairs, but it also has as its president, Mr Jacques Delors, a former French Finance Minister, who has

Some member states have no qualms about lifting national stuice gates on their domestic capital pools. The UK, West Germany, and the Netherlands

shown a far more consistent interest in

monetary matters than his predeces-

liberalisation, they cannot run deviant have already done so. Denmark still insists on authorisation for the opening of bank accounts abroad, a formality which it could probably dispense with easily. Belgium and Luxembourg claim their dual foreign exchange system is not really a control on capital flows, but because of other countries! insistence they are ready to phose it out. tence they are ready to phase it out.

Of the rest, Spain, Portugal, Greece and Ireland can plead either newness of EC membership or capital scarcity or both to be exempted for some while from the rigours of full financial free trade. To the extent that capital liberalisation is a high-wire act for some member states, the Commission has proposed stitching together a stronger safety net out of two existing EC mechanisms for medium-term loans to member states in balance of payments straits. The likely outcome is that the EC governments will authorise a lending ceiling of around Ecu 16bn (£10.5bn) from funds either borrowed on the capital markets or taken out of the EC

But this is not enough to assuage the nerves of the two big states with a long tradition of capital controls - France and Italy. Both have eased restrictions in recent years, particularly for companies, but still limit the opening of bank accounts abroad and domestic lending to non-residents. Italy, in particular, able to raise the drawbridge if trouble hits the lira, and it has also joined forces with France in urging " symme-try" in the responsibilities of strong as well as weak currency countries to maintain parities in the EMS.

Translated, "symmetry" would mean the Bundesbank buying francs or lira, or selling D-Marks, when the franc and lira come under market pressure. Since

Nyborg the Bundesbank has been pre-pared to lend D-Marks directly to, say. pared to lend D-Marks directly W, Say. France to help support the franc before the French currency hits the floor of its margin within the EMS. But it steadfastly refuses to hold in its reserves, and therefore make any sizeable purchase of any foreign currency except dollars.

"The French are simply jealous of the D-Mark as a reserve currency," says

"The French are simply jealous of the D-Mark as a reserve currency," says one (non-German) central banker closely involved in the EC debate on monetary reform But there is more than Gallic pique involved. Both France and Italy feel they have doge remarkably well in getting their inflation rates to an annual level of 5 per cent or less. And their financial officials pay tribute to the EMS and its "German anchor" in this achievement. But this very success, they feel, gives them some leeway but for strong money, high interest rate policies imposed by membership of a German-run EMS. "We don't want to be dragged into uncompetitiveness by Germany," says

uncompetitiveness by Germany," says one French official.

A slightly different slant is provided by a senior Italian official. "The Ger-

by a senior Italian official. "The Germans, too, have a structural problem. They have to learn to liberalise their economy and generally become more optimistic about their future." he says. The fact is that some of Germany's partners are beginning to view with blank incomprehension its continuing economic angst 40 years after its last bad bout of inflation.

The aim of EC capital liberalisation

The aim of EC capital liberalisation is "to add financial freedom to currency stability," as one Belgian official puts it. There is clearly a risk, however, that one could jeopardise the other. One solution tentatively proposed, not surprisingly, in a paper by Mr Amato to his EC colleagues is that the fluctuation bands for most currencies around their central rate in the EMS be widned from the property of alles or ened from the present margin of plus or minus 2.35 per cent to something like the 6 per cent margin permitted to the lira. But this idea is firmly rejected as an unnecessary step backward by most member states and by the EC Commission. They argue that the 2.25 per cent margin is far less of a constraint than it was when inflation differentials between EMS members were much greater. Besides, a loosening of exchange rate ties would be seen as

exchange rate the would be seen as thwarting the integrationist drive towards 1992 and the single market.

Mr Amato made his suggestion in the context of sterling joining the exchange rate mechanism of the EMS. He said there was fresh urgency for this because "nations not adhering to the exchange rate agreements would gain exchange rate agreements would gain from the complete liberalisation of the capital market in Europe, without being subject to the restrictions it places on domestic economic policies." His fears rest on the freedom of monetary manoeuvre that the UK alone would have to undercut its EC trading partners with a depreciated currency or out-grow them with lower interest

But the IIK Government itself might soon rue that it cannot play the full role in the monetary reform debate that only full participation in the present system could confer. It is hard to envisage Mrs Thatcher taking a back seat on any major issue. But that is what she might be consigned to at the Hanover summit when monetary reform comes up for discussion.

The stakes are high. As the finance

ministers at Travemunde will be well liberalisation of capital movements could push the EMS backward instead of forward. As for a European central bank, it "cannot be carried out as an experiment," Mr Hans Tietmayer, the long-serving state secretary at the German Finance Ministry, said recently. "It must succeed at the first attempt. Its fallure would mean more than just the setback of a few years in European monetary integration.

Otherwise engaged

■ Banquo's ghost scene had noth-ing on yesterday's annual meet-ing of Standard Chartered at the Connaught Rooms where the conspicuous absentees almost outnumbered those present.

Most notable was the non-ap-

Most notable was the non-appearance of Robert Holmes a court and Sir Y K Pao, the two "white squires" who rescued Standard from the clutches of Lloyds in 1986 and are now group chairmen with nearly 30 denute chairmen denute c Adept tactician

The focus must therefore once again shift to the Democrats. They are in better shape as Mr Steel leaves them than was previously thought; in less meets.

to his efforts to sell off large chunks of his Bell Group and keep it affoat. His alternate, Alan Newman, was missing for the same reason. Y K Pao, the Far

sian Tan Sri Khoo, was absent as well. He was forced to resign his directorship last year after the Brunei bank fraud affair. The <u>chairman</u> was not sure yesterday where Khoo was, but said he had telephoned a few days before from Australia to ask if Standard

Chartered group chief executive. The previous one, Michael McWilliam, resigned in February

posed purdah before he takes over in July.

The only ghost from the past who did turn up was Lord Bar-ber, the former Chancellor who was chairman until last year. But since he led the resistance to what (with hindsight) was a most generous Lloyds bid, his standing among Standard's shareholders was hard to gauge.

OBSERVER

End to isolation

■ The Canadian Government is claiming a major diplomatic coup ahead of next months' world economic summit meeting in Toronto. For the first time in more than a decade of summitry, the White House press corps is to share the same facilities as the

own press centre well away from the main summit venue. For the US Administration, that helps to ensure that reports sent home are uncontaminated by the views of other delegations at the sum-mits. The journalists themselves jealously guard their access to the President and his spokesmen. According to Canadian offi-cials, the White House has bowed to diplomatic pressure and agreed that this year they will have to work alongside the 5,000 non-isolationist reporters at the Toronto convention centre.

President Havers

■ The president of Wimbledon Football Club is Lord Havers, the former Lord Chancellor, and has been since just after they entered the football league a decade ago. He was then MP for Wimbledon. He believes he may be the only Wimbledon supporter in the House of Lords. He will be at Wembley on Saturday when the team takes on Liverpool.

Sex at Cambridge

■ Cambridge University is in the throes of another one of its peri-odic academic rows. This time the difficulty is over the use of sexist language in the statutes which govern the university.

The Council of Senate, the governing body of the university, recommended this week that the masculine pronoun in the statutes he changed to comething



man's mustard and Worcester

non-gender specific.
The Council has been swung
by the arguments of Dr Joan
Whitehead, a lecturer in psychology, who delivered a monologue to the Council on the history of

to the Council on the history of sexual discrimination. Many men at the university did not understand the problem, she argued. After all, she said, the last person to discriminate against white, Anglo-Saxon, protestant, heterosexual, males was Mary Tudor. The opposition to the move is led by Professor John Baker. He points out that the change will certainly make the statutes more verbose and could lead to confusion of interpretation. The cost of the change could be about £10,000 the change could be about £10,000 in printing alone at a time when faculties need money for books and facilities.

If he can muster twelve brave men and true from the voting body of the university to oppose the recommendations before May 24, then all senior members of the university will be asked to vote on the matter.

Bit of a gap utes be changed to something . The north of England is obvi-

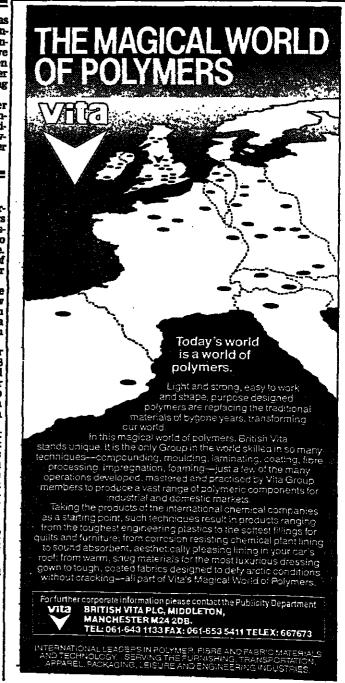
ously another country as far as the staff of Peter Jones, the Lon-don department store, are concerned. An engaged couple we know bemused a well-spoken young lady assistant the other day by asking for their wedding gifts to be sent to Manchester. After first asking whether Manchester was a suburb of London, she consulted a list of destinations to which the store delivered free of charge. "Is it further away than Bedford?" she said.

Democrat leaves ■ Miles Slater's imminent departure from Salomon Brothers

International, mentioned in yesterday's Observer, was as close to amicable as these things can be He did not have to walk out of the door next week. But, Slater adds, no parting is perfect. He was offered positions in the Salomon headquarters in New York and he could have stayed in the London office. Yet once a new president was being put in on top of him, he decided to go. His son graduates from Vassar (co-educational for the last 18 years) next week. Slater had asked him what he would like for a graduation present. He said two weeks abroad. So father and son are off to Australia and Indonesia towards the end of this month.
Slater senior will decide what
to do next after that. It may not
be directly in banking. He is
interested in the World Bank and
perhaps the US Treasury. Unlike
most of the people one meets at most of the people one meets at Salomon, he is a registered Dem-ocrat. James L Massey, the new chief executive of the London operation, is a member of the National Finance Committee of the George Bush for President

Bond market

A City merchant banker reports that the person he was dealing with on the telephone concluded their negotiations with: "You have my word as a gentleman". Pause. "Or at least as a member of the Stock Exchange."



puzzled. The British Prime Minister cannot fathom why Thatcherism is apparently not capturing hearts and minds in Scotland. She realises that there is of course something different about the Scots, reaching beyond the fact that they live seriously far north of Watford. You do not handle their affairs as you do those of England. Your Scottleh Secretary, Mr Malcolm Rifkind does all that for you. Yet Mal colm seems like a sound man. He has been applying all the correct measures in his domain. He has been saying most of the right things. And still the great majority of Scots resolutely decline to

Calling and Carlot and

The state of the s

200

When the Prime Minister addresses the Scottish Conserva-tive Party conference in Perth tonight this conundrum will no doubt be uppermost in her mind. The bare statistics of it are indeed daunting. As the chart shows, the Tory share of votes cast in successive general elec-tions has declined steadily since 1955, with only the rebound from the Scottish Nationalist upsurge of the mid-1970's breaking the otherwise smooth downwards curve. Although there are straws to clutch at in last Thursday's local election results, the overall figures suggest that this curve is still in effect.

turn into Tories.

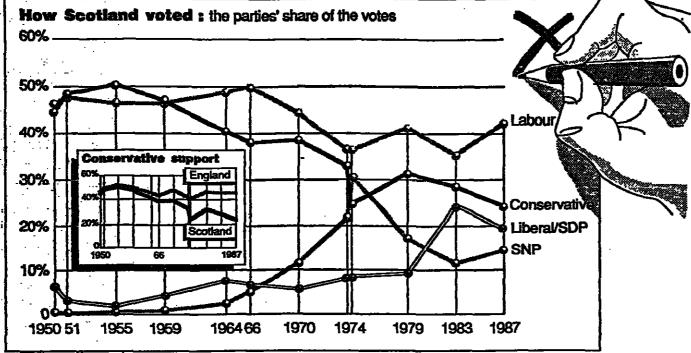
The impact on Conservative entation at local government level is such that despite some small net gains of seats in Aberdeen and elsewhere, and a growth in the vote in Edinburgh, Scotland could be said to be well on the way to becoming what Mr Neil Kinnock, the leader of the Labour party, has called a "Toryfree zone." At Westminster, the picture is even more gloomy for the Conservatives. They are down to 10 MP's, the lowest fig-ure since 1910. Even the Social and Liberal Democrats have nine Scottish MP's. Labour has 50. Mrs Thatcher might find this devastation more understandable if she herself had not been Prime Minister of the United Kingdom for the past nine years. After all, her policies appear to have gone down reasonably well in England. But the Scots seem par-

ticularly perverse. Take the several pockets of affluence on both coasts. They buy their council houses, under Tory legislation which allows them to do so. They buy shares in privatised companies, just like Southerners. In spite of stiff opposition, many of them are likely to accept the offer of "parent power" in Scot-tish schools. Yet they still stubbornly refuse to vote Conserva-

may be due to some kind of time lag. It is hard to fathom whether the Scottish Secretary, who I gather is spoken of as a highflyer in the Cabinet, is kidding "immoral". They were all
himself. He is an excellent advocate, trained to persuade himself moth-eaten first-day audience.

POLITICS TODAY: Joe Rogaly

A Tory-free zone



to make the best of his brief. His Lahour counterpart, Mr Donald Dewar, leader of that 50-strong team in the Commons, asserts that it is simply insulting to assume that Scottish consciences (and therefore votes) can be policies. But then Mr Dewar. with a precise Scottish solicitor's mind, may also suffer from self-delusion. Most other observers in Scotland attribute the apparent cussedness of the voters to a simple dislike of English-imposed values, or a more crude antipathy to the Prime Minister's

voice, manner and gender. The anti-Thatcherism is manifest even among Scottish Tories themselves. On Wednesday afternoon the conference in Perth debated social security. Four out of the five speakers expressed concern about the meanness, or insensitivity, or apparent lack of compassion, of the Government's recent package of reforms. One, referring to the impact of the housing benefit change plus the poll tax, said that "we may not be talking about a huge number of people but there are enough of every Ioyal Conservative uneasy." Another, nom riovan, called the reorganisation of the ." Another, from Provan,

It is hardly surprising, there-debate on the creation of the about 40 per cent of Scottish The old Scottish Tories are accustomed to making some gestures the year 1955, from which the towards a Scottish assembly, subsequent 30-year decline is ranging from a super-regional dated, was a peak. It was indeed council to full federalism. After all, something along that spectrum is supported by all the opposition was the Labour Party, other parties in Scotland. The which had 34 seats to the Conserport Trains will have note of it.

new Tories will have none of it. It was in fact in that devoluvociferous second-day crowd, and Yes" told it all. As so often when people but there are enough of the Thatcherite back is to the voting, as the Tories do nation-them to leave the conscience of wall, the instinct is to come out ally, must be prepared to die by fighting. That means that the it, as in Scotland. first step is to stop being apologetic about the peculiar circumstances of Scotland - in short, to turn the debate about devolution off, in order to concentrate atten-

the injustice of sex discrimina-

We can agree that the legal

procedures are "cumbersome and bureaucratic," but they were

law, you would do better to

unions the absolute need for

ensuring that the pay structures for various groups of employees

fore, that a recent MORI poll for enterprise society.

The Scotsman indicated at the Mr Rifkind and his colleagues beginning of March that just have reached this conclusion as a result of lengthy rethinking, fol-Tories disagreed with the Thatch-lowing the extremely poor results erite proposition that the Scottish in the General Election last year. lowing the extremely poor results

people are too dependent upon The Scottish Secretary's analysis the state. It was perhaps predicting a perhaps predicting that in yesterday's carefulthis: Conservatives have historily-staged debate on devolution cally been the second party in the amount of steam that had to Scotland - first to the Liberals, be let off was so considerable, then to Labour, Against that background, their performance in

vatives' 36. The Liberals had one MP, and the Scottish Nationaltion debate that the Thatcher-Rif- ists, with 0.3 per cent of the vote, kind strategy for winning back none. Now there are four parties, Scotland was most potently which means that the Conserva-expressed. The bigger and more tives are squeezed. In 1987 they won a quarter of the votes, but the small group of young people only a seventh of the seats. Mr with planted posters proclaiming Rifkind would not complain "Devolution No - Thatcherism about the disproportion. Those who live by first-past-the-post

Conservatives as an English off, in order to concentrate attenparty - but they claim, as kind, has acquired the reputation tion on the United Kingdom-wide Unionists, to be the oldest Scot- of being a sort of Scottish Nor-

tish party. The present-day Scottish culture is, in the Thatcherite view, deeply infected by 60 years or so of increasing dependence on the state. Before that the true Scottish character was in evidence - individualist, enterprising, self-reliant (and, I might add, Liberal). Once, Glasgow was the second city of the Empire. This was not achieved by means of subsidies. Now its council is the largest landlord in Western Europe, the tenants long accus-tomed to low rents and dependence on the state.

This culture, this set of attitudes, must be changed. The first step is to win the party. The pres-ent conference is designed to do that. It is certainly re-shaping the Scottish Conservative party in the Thatcherite image, and its leaders are doing so with an apparently grim determination to show political confidence - even at the cost of alienating some of the remaining liberal-minded brethren among them.

The local gossip, incidentally, is that Mr Rifkind has little choice but to follow this course. At his back, it is said, is the almost unbearably young Conser-More important than any of vative member for Stirling, Mr the above, in this analysis, is the Michael Forsyth (born 1954). Mr Scottish culture. It rejects the Forsyth, who looks after both education and health for Mr Rif-

man Tebbit, in constant spiritual and perhaps literal contact with No 10 Downing Street. He cer-tainly had the Perth conference with him when he preached parent power in the education debate.
These little personal matters

aside, the key element in the Tory strategy remains the Scottish economy. Unemployment was the largest single factor in Scottish voting decisions last year, which is no doubt a consequence of the particular havoc wrought by the decline of the old traditional industries. Unemployment is now falling. There are small shoots of hope for the Scottish economy, particularly in financial services in Edinburgh and in the electronics industry elsewhere. These shoots are, in the politicians' analysis, the spearheads of the enterprise culture. Voting patterns depend upon values and aspirations, it is argued, and these may be shaped what is successful for a time, apparently for suggesting that the exchange rate should be among the targets to fine enterprise culture. Voting patterns depend upon values and aspirations, it is argued, and these may be shaped string of negotiations which is because heavy intervention has traditional industries. Unemployurgued, and these may be shaped string of negotiations which is because heavy intervention has by economic forces.

On this basis Scotland could become the key battleground of British politics over the next few years. For the Labour Party must retain its stranglebold - those 50 MPs - if it is to stand even the slightest chance of becoming the Government next time around. The task of winning by gaining seats in the Midlands and the South East will be difficult enough if none of what is cur-rently held is lost, but I should say impossible if the Thatcherite long march through Scotland proves effective.
At present Mr Dewar is bubbl-

ing with confidence. The poll tax has made the Conservatives deeply unpopular, not least for the fact that it is being intro-duced in Scotland first. This resentment will last for some time. But there is a catch. The Labour Party is itself divided between those who wish to oppose the tax by legal means and those who would prefer a campaign of civil disobedience Mr Dewar has most of his (mostly) impressive 50 Westminster MP's under control, but in Scotland the struggle is constant. What makes it worse for

Labour is that the Scottish Nationalists take an altogether more robust view of the matter, which gives added heat to the auction over which party - the Democrats or Labour - will move their devolution proposals closer to the SNP's beacon of independence. The upshot is that the four-party system could dam-age Labour in a few years time just as it is damaging the Conser-

Here the arithmetic is vital. Labour has never before had 50 seats in Scotland - not in 1945 (when it won 37), or in 1966 (46). Falling back to one of those earher peaks next time could, from the national point of view, put the kibosh on Labour. Then it would be Mr Kinnock's turn to be Lombard

Reflections on Plaza/Louvre

By Anthony Harris

still in progress, the dangers are swollen their money supply num-obvious. All the same, Yoichi bers, while the Fed has been sit-Funabashi's account of the Lou-ting on its hands until this week vre and Plaza process* largely partly because US monetary disarms this doubt. He has seen the secret documents, and talked to virtually everyone who mat-tered (hardly any of whom were

What seems clearest is that economic summitry has rather little to do with economics, and politics; Mr Baker's warnings about protectionism in Congress were sincere. His aim was not ton's persistent bilateralism. only to re-start the dollar devalu-ation which had stalled in the

the Germans were concerned to precision. show the dollar's decline for fear One of the strengths of his that the shock of a hard landing book is that the reader is free to would smash the EMS.

the time; but there are a couple of real surprises. One is the hidden precision of the pact: quite for intervention, neatly shared without much pressure.
The second surprise is the big-

barely mentioned monetary policy in their talks. Yet now, in the tic to expect much more. governments can co-ordinate apart from monetary policy. Dupont Circle 1
The myth of monetary autonDC 20036, \$19.95

growth looks modest, for the same reason. Do they ever really

learn?
This doubt is reinforced by British). The result is not only a Funabashi's revelation of the lot of new detail, but a new per-spective. exchange of political favours between Mr Baker and Mr Miyazawa, his Japanese opposite num-ber, who managed interest rates and currencies in each other's everything to do with politics. electoral interests. The barely-The Plaza process started with concealed hostility between Washington and Bonn is also dis-couraging, and so is Washing-Since the parties cannot even

ation which had stalled in the begin to agree about fiscal policy, summer of 1985, but to show that as they have quite different he was in control, and that inter-views about how it works, and national co-operation was the since the agreements they do way to produce results. The communique spoke of coons, as Funabashi shows, has the operation; but all that was really whole process come to the end of achieved was an agreement to its useful life? The market eviintervene in the markets. There dently think so. Funabashi, howwas not even a shadow of the ever, evidently shares the view of general policy co-ordination Mr David Mufford of the US Trea-Baker sought. Indeed, the Japasury that policy co-ordination is nese saw the intervention pact as simply in its early stages, and a way to avoid a fiscal stimulus; needs stronger backing and more

draw different conclusions. It is All this was partly visible at hard to imagine the process here described delivering the right policies, or delivering them in time to be useful. It has at least narrow exchange rate targets made all the governments con-were set, and there was a budget cerned more aware that they cannot make policy without co out. Thanks largely to luck, this ering its international worked: the markets were sufficiently implications, and informing ciently impressed to fall into line themselves of what their trade partners are planning. If it takes regular meetings to keep that est: the ministers at the Plaza awareness alive, they are worth dying days of the Reagan admin- * Managing the Dollar: from the istration, there is little which the Plaza to the Louvre. Institute for International Economics, 11 Dupont Circle NW, Washington

We shall all

From Professor Forrest Capie and Professor Geoffrey Wood.

Sir, The law on which the "equal value" judgment rests (FT report and leader, May 6) will make everyone in Britain poorer, restrict job opportunities for women, and make much more common discrimination on From Mr John Edmonds. grounds other than suitability for

One purpose of prices is to indicate when consumers want more of a good; rising prices sig-nal to producers that more of their good is desired. When producers respond to this signal, resources are used in line with the wishes of consumers, and thus to their benefit. If prices are now to be determined by adminstrative decision, we shall all be

If the costs of employing certain kinds of workers are raised by administrative decision, employers will want fewer of employment conditions. This is where the money comes from, employers will want fewer of these workers. Job opportunities will be restricted. A rise in unemployment among these suppos- Women's work is undervalued edly protected groups can be precisely because it is done by

expected.
Further: suppose an employer Further: suppose an employer is prejudiced against some group — say, women. If they will work for lower wages than men, indulging this prejudice is for that reason costly. But if the employer is now forced to pay the same to members of both groups (even though they are groups (even though they are doing different jobs) then the employer can indulge his prefer-ence at no cost to himself.

those on the ground seem to have little difficulty agreeing what in of your amendments to the law, discrimination."

Having falled to justify either do not contain any element of sex practice constitutes work of your amendments to the law, discrimination."

You take refuge in the shibboleth of "non-market mechanisms."

John Edmonds, mists do not say such judgment Discrimination on grounds of sex is impossible — only that it has (or race) is no more a market no rational foundation. — mechanism than insider dealing.

Geoffrey E Wood, City University Business School, Frobisher Crescent, Barbican Centre, EC2

Letters to the Editor

Segregation helps discrimination

Sir, your confused leader on them in employment requires an Julie Hayward's well-deserved injection of "new money" into victory in the House of Lords

women's pay packets. This need

the inflationary. A recent

GMB (General, Municipal Boilermakers and Allied Trades Union)

report on sex bias in the chemical industry suggests that an

extra \$400m is needed each year

to level up women's pay. Our

report clearly identifies product

tors to be taken into account in equal value claims. In fact the Lords' decision may not prevent this - at least in theory.

The law of the law of the least of the start of the law of the

employment conditions. This is where the money come because job segregation is widely but how it is to be used, used to facilitate discrimination.

employer can indulge his preference at no cost to himself.

Your leader remarks that it (job evaluation) is impossible, but those on the ground segments have precisely to enable to compare

You then resort to the economic argument that social jus- Ruxley Ridge, tice is incompatible with control-ling inflation. Ridding the UK of Esher, Surrey

There are two quite different classes of corporate philanthropy

Quagmire in the Lebanon

From Mr E.A. Reader.

Sir, May I suggest that Mr Bloch's letter of May 7 should have been headed: "Whatever Israel does, must be right"?

The total disregard of root causes should, if it were a matter for reason, make nonsense of his entire letter. Until 1982 the Shi'ite villagers of Lebanon never featured as terrorists in Israeli propaganda, for the simple reason that their main concern was to extract a living from their land. The change was wrough when they experienced Israeli

By what right does Israel occupy part of Lebanon, bomb and shell Lebanese villages at will, and then brand as terrorists any Lebanese who strikes back at the occupation force and attempts to retaliate against Israel? To justify the use of overwhelming armaments against some Shi'ites because other Shi'ites have been involved in kidnapping or hijacking is no more sensible than condemning all Jews for the killing of

deliberately so designed by the Conservative Government in order to discourage equal value claims. Rather than advocate impossible amendments to the unarmed Palestinians. Like Mr Bloch, I too am critica of both government and opposi-tion - I, because both have failed to call for all possible meaadvise managers to stop wasting their shareholders' money on legal fees and heed the words of Lord Goff, who hoped that the May 5 decision "may draw to the attention of employers and trade attention of employers and trade on the stop of the stop sures to curb Israel; he (presum

One can understand, while having no sympathy for, the frus tration of those who share Mr Bloch's views, now that an Israeli onslaught on so-called "terror ists" not only fails to divert attention from the sufferings of Palestinians under occupation, but attracts widespread condem-General Secretary of the General, Municipal, Boilermakers and Allied Trades Union, nation in itself.

> 10 Birkdale Avenue. Pinner, Middlesex

WHY WOULD BRITAIN'S No 1 ELECTRONIC COMPONENTS COMPANY CHANGE ITS NAME?

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PHILIPS

From Mr Edgar Palamountain.

Sir, Mr Michael Prowss (Lombard, May 6) does well to remind us that company directors are there to make money for their thank however, that this position is to be funded by the state in whole or even in part, and some invertigal largely on the grounds with the operations of the welfare state. They include, for tally different classes of corporately directed by independent trustees. Such organisations, common-tally different classes of corporately directed by independent trustees. Such organisations, common-tally different classes of corporately directed by independent trustees. Such organisations, common-tally different classes of corporately different cla justified largely on the grounds whole or even in part, and some recruitment, that corporate philanthropy is of them would actually refuse to undesirable because it cannot be so funded.

The second

undestrable because it cannot and should not supplient that of the state.

Now it is to be noted here that individuals, and it is hard to seek corporate philanthropy are not by any means confined to the social area normally associated be so funded.

The second class covers those wider areas where no such specific justification is appropriate of public funds that the charitable individuals, and it is hard to see the purposes that enlighted for. It is similar support - provided always that this is fully and explicitly sensitive disbursement of public funds that the charitable for such purposes that enlighted for it is part to see the purposes that enlighted for it is provided always that this is fully and explicitly sensitive disbursement of public funds that the charitable for such purposes that enlighted for it is purposed by their shareholders.

The second class covers those than through the wasteful and wider areas where no such specific justification is appropriate of public funds that the charitable processes of society will be best advanced.

Edgar Palamountain.

Wider Share Oumership Council, Juxon House, 94 St Paul's Churchyard, EC4

charitable foundations rather The second class covers those than through the wasteful and

FINANCIAL TIMES

Friday May 13 1988

POWER SYSTEMS

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Leslie Colitt in Budapest on growing demands for Communist political liberalisation

Hungarians challenge party system

LESS THAN a week before an extraordinary Communist Party conference in Budapest, the Hungarian leadership under Mr Janos
Kadar is being pressed by impatient Hungarians inside and outside the party to liberalise the
monolithic political system.
Independent citizens' associa-

tions, unthinkable only a few years ago, have sprung up to challenge the party's monopoly of political life. A revolt has taken place within the Commu-nist Party itself, led by the key Budapest party committee, which is demanding more meaningful political reforms than the leader-ship has to offer.

Compounding its problems, the party is struggling with a rebellion in its own ranks. The Budapest party committee recently rejected the party leadership's draft document for presentation to the May 20 conference.

Mr Kadar was directly critic-

ised by Budapest party officials, who demanded that those leaders responsible for Hungary's present economic crisis should be removed from office. The outspoken Prime Minister, Mr Karoly Grosz, who is a leading contender to succeed 76 year old Mr Kadar as the party's general secretary, said rank and file party members at seven recent meetings he had attended called for Mr Kadar to

that the nation's precarious economic situation entailed a "high risk" if any of his rivals were to

The latest rival of state authority, the Federation of Young

Centre-right

gets no top

posts under

and Housing.
Mr Roland Dumas has returned

to the Foreign Ministry, also as a Minister of State, while Mr Jean-

Pierre Chevenement, the former

Pierre Chevenement, the former socialist Education Minister and one-time leader of the party's left-wing CERES faction, has become Defence Minister.

Mr Pierre Joxe, one of the party's left-wing figures, returns to the Interior Ministry, a position which is likely to be particulated delicate in the offerment of

larly delicate in the aftermath of a presidential campaign which

focussed on immigration and law-and-order issues.

Mr Olivier Stirn, a one-time centrist politician and a former

minister under President Valery Giscard d'Estaing, recently switched alliances to the Socialist Party, and has been appointed to the Ministry for the French Over-

seas Territories. This was a posi-tion he held from 1974-78, and it

too will be a particularly delicate responsibility after the recent tension in New Caledonia.

Mr Michel Durafour, another

Mr Michel Duratour, another former minister under Mr Giscard d'Estaing, was appointed minister in charge of public administration. He is one of the four centrist politicians who declared his support for Mr Mitterrand after the first round of perting on April 24 when the cen-

voting on April 24, when the cen-trist candidate, Mr Raymond Barre, had been eliminated.

Mr Pierre Arpaillange, a highly respected magistrate who has

worked with several ministers of General de Gaulle, was appointed to the Justice Ministry. Madame

Edith Cresson, the former Socialist Industry Minister, has been

appointed junior minister for

European affairs. Both Mr Jack Lang and Mr

Rocard



Karoly Grosz (left), leading contender to succeed Janos Kadar as party leader

caused consternation among senior party officials. Fidesz was founded little more than a month ago by 37 law students of Budapest's Lorand Eotvos University and has more than 1,000 mem-

Most are students who, in common with many Hungarian intel-lectuals, reject the party's lead-

Mr Gabor Fodor, a co-founder of Fidesz, freely admitted that it as conceived as an alternative However, a senior central committee official predicted that Mr Kadar would cling to his post until the party congress in 1990. He would be aided by the fact that the nation's preserving accommendation was conceived as an alternative was an alternative was conceived as an alternative was an alternative was an alternative was an alternative was alternative was an alternative was an alternative was official media had spoken of the need for political reforms so often that a growing number of Hungarians now took them literally. But, he said, as soon as citizens took reforms into their own

cease their illegal activities.
In mid-April the public prosecutor's office told them to stop organising students or face criminal charges for "anti-state" activities. But the young people felt confident of their position. Hungary's legal statutes said little about political associations such as theirs, because they were as theirs, because they were never envisaged by the party. For this reason a law regulating asso-ciations is being hastily drafted by the Government and is to be

presented to parliament later this Mr Grosz said last week that independent organisations would be tolerated "within the limits of the law." But if the law banned their activities, he suggested in an interview, then the Government would "have to act." He was supported in this view by his chief rival for the leader-

could not afford another national political youth organisation.

Accordingly, the authorities recently stepped up their pressure on Fidesz by raiding rooms where delegates of the youth organisation were staying during an official student parliament in the city of Veszprem.

The independent youth movement gained a stunning moral victory in Veszprem when delegates representing 67,000 Hungar

gates representing 67,000 Hungar-ian students voted in favour of a Fidesz resolution which spoke of the need for independent political

youth groups.

Another challenge to the party Another challenge to the party, this time to its most reformminded institution, the People's Patriotic Front, was mounted while the leadership was busy celebrating May Day. At a founding meeting in Budapest, the Network of Free Initiatives, an umbrella organisation for autonomous groups, elected a 50 mem. mous groups, elected a 50-mem-ber governing council

In a further assault on the pillars of party authority, former members of the official Public Employees Union (KSZ) said they would set up Hungary's first independent trade union in time for the party conference on May

The planned trade union for academic and scientific researchers has predictably been rejected by the alarmed leadership of the official trade union federation SZOT, which is being deserted by

party leadership involves ordinary Hungarians who have remained apolitical in spite of the revolt among Hungary's intellec-tuals. In the face of worsening inflation, steadily sinking real Democrats (Fidesz), has challenged the unpopular communist youth organisation Kisz and ers of Fidesz in early April to ogy chief, who said Hungary politicised

Mexico promises to break up state monopoly of telecoms

BY DAVID GARDNER IN MEXICO CITY

MR CARLOS Salinas de Gortari, the candidate of the long-ruling Institutional Revolutionary Party Continued from Page 1 (PRI) to succeed Mr Miguel de la investors who could provide from PRI dissident Mr CuauhtMadrid as Mexico's President in much-needed capital for modernielections this July, has pledged to privatise Telefonos de Mexico
Telmex is a majority stateowned and publicly quoted comThis debate, marked by a of social democracy, represented by Mr Fabius.

Praradoxically, Mr Rocard is believed to favour the appoint-ment of Mr Mauroy, even though he personally espouses similar views to those of Mr Fabius; but Mr Rocard and Mr Fabius are men on April 17. but has now for the presidency. been confirmed by senior finance Mr Maurice Faure, the veteran leader of the Radical Party and a long-standing friend of Mr Mitterofficials. It is the PRI's most radical proposal to reduce state participation in the economy. rand, was also made a Minister of State, in charge of Public Works

Government officials and Mexican bankers say that a decentral-isation of Telmex is likely to precede divestiture, which could take place before Mr Salinas takes office in December, assuming, as everyone does, that he is elected in July.

The company would either be

broken up into four or five regional units, following the pro-cedure adopted with AT&T, the US telecommunications giant, or its management would be reor-

privatise Telefonos de Mexico (Telmex), the state telecommunications monopoly.

The pledge went almost unnoticed when made at a private dinner for Mexican and foreign business of the state telecommunications monopoly.

The pledge went almost unnoticed when made at a private dinner for Mexican and foreign business to him block of shorts to increase state reported to incr ner for Mexican and foreign busi- scribers to buy blocks of shares, to increase state penetration of a If the privatisation plan goes closed Mexican economy, takes ahead, the Government would be place as the de la Madrid Governexpected to retain a strategic ment is accelerating its divestistake in the company.

open to foreign investment would companies to foreign interests. Aviacion.

Mexico has an entrenched traing - which is enshrined in arti-cle 27 of its constitution.

The first option would appear a leading issue in an election more attractive for investors, where the regime is facing its including, it is assumed, foreign most severe challenge since 1940,

ture plans.

Last month it sold the Cananea Throwing telecommunications copper mining company to a priopen to foreign investment would follow in the steps of Argentina now in the middle of a restructurand Chile, which have recently ing of the two national airlines, sold 40 and 30 per cent, respectively, of their national telephone majority owned Aeromexico and majority owned Mexicana de

Mexico has an entrenched tra-dition of state dominance of stra-bered after being declared banktegic areas of the economy - oil, rupt last month, part of a strat-key minerals, power, communica-egy aimed at breaking the tions, steel, and, since 1982, bank-ing - which is enshrined in arti-lag - which is enshrined in artiing at nearly five times interna-

Thatcher refuses to back Lawson policy Continued from Page 1

March left the authorities with two options: lower interest rates to take the pressure off the pound, or a rising currency. The subsequent rise in the value of sterling amounted to a tightening of monetary policy and so served the aim of bearing down on inflation. The firmer exchange rate would "exert a cumulatively pervasive restraining influence on wage settlements and profit margins, as well as on many import

preferred monetary policy mix relative to other markets and because of the different views with issues of political stability investors hold of the UK and its and the Government's healthy prospects. Sterling is currently finances. trading at above DM3.16 because

The Bank said experience foreign investors find investing showed that a firm exchange rate in the UK more attractive relacould provide an effective count-tive to other countries. er-inflationary discipline in an open economy like the UK, which concentrate on indicators such as remained more susceptible to monetary growth, wage settle-inflationary tendencies than ments and indicators of the pace many other economies. of domestic demand, the foreign The authorities have been pre-investor seems to be more convented from engineering their cerned with returns in the UK

Indian commandos prepare attack plan

rity guards. repeat invasion. In particular, it does not want to upset villagers in the Punjab and so stop a flow of information to the police which has led to a record 30 ter-Henri Nallet have been re-appointed to their former ministries of Culture and Agriculture month.

ty guards.

Having been flushed out of the
The prize for the Government
The Government does not want temple in 1984, the new generanow the temple is cleared of pil to stir up similar resentment tion of extremists has gradually among moderate Sikhs with a regained control of the shrine over the past two years.

Fear of upsetting Sikhs, who revere the shrine, has prevented the Government from launching

Tags. and capture or kill the 10 top terrorist leaders they believe are inside.

But the cost of that prize might

now the temple is cleared of pil-grims, is to clear the extremists out, take down the Khalistan are inside.
But the cost of that prize might

more than a couple of limited be considered too great if —as police operations a year or so ago.

The Government from Eauteting be considered too great if —as the extremists hope — it alienated the villagers and other Sikhs

World Weather

Way clear for INF

chev instructed negotiators to prepare at their Washington meeting in December.

Mr Shultz said that a little progress had been made in his two days of talks here with Mr Shevardnadze and arrangements would have to be made at the summit to "energise" the negotiations.

The was flying directly to Berlin to consult with the Soviet Union's War's aw Pact allies.

On southern Africa, which will be on the summit agenda, it was spread that the US and Soviet experts on the area will meet to take stock of developments before May 29.

More movement appears to have been made on negotiating are likely to sign a verification mandates for talks in Vienna on protocol that would bring into reductions in conventional armed effect the 1976 peaceful nuclea explosions treaty, which sets to

chev instructed negotiators to tions had become closer. He was

before May 29.

Mr Reagan and Mr Gorbacher forces in Europe. explosions treaty, which sets a Mr Shevardnadze said posi- limit on non-weapon explosions.

Kim Philby: a British traitor protected by his class

KIM PHILBY, Britain's most famous traitor, was always at ease with the media. When, a few weeks before his death on Wednesday, he gave a series of interviews to the Sunday Times of Britain, it was a reasonable assumption that he was up to something. Was it going to be one last revelation to tease the country that allowed him so freely to oper-ate against it?

n fact, Philby, who had reached the highest echelons of British Intelligence and whose infor-mation is said to have resulted in the deaths of hundreds of British agents, revealed almost nothing new. It is tempting to think now that he was simply taking an opportunity he knew might never arise again. It was a final round of publicity

before he died. Shortly before the interviews were published, a high-level Russian, who must have known about them, told me in Budapest that what Moscow had never understood was why Britain had taken Philby's defection - in 1963 - so le meant not so much the defec-

tion itself, but rather that for years the authorities had allowed him to get on with his spying without any proper investigation into his activities and that, when he fled, there was no real witch-hunt into how he had got away with it. Philby, he said, had provided information that Moscow had never expected to know, and yet the British appeared to shrug it off. It could never have happened in the Soviet Union. The Russian spoke almost with admiration of the British approach, but also pity.

And that really was what the Philby case was all about. It is not that he did what he did, but the way he was able to do it for so long that stands out.

it for so long that stands out. The spying we know about, or most of it. For 26 years it was not just espionage; it was responsibility for murder, culminating in the deaths of many Albanian exiles returning

Yet what matters is that he was active for so long.

Philby was recruited by the Soviet Union in 1933 while a Cambridge undergraduate. He had been to a ton public school. had been to a top public school

- Westminster - and this thoroughly establishment edu-cation deflected suspicions and

accusations throughout the

home in the late 1940s only to

he discovered and executed

n a curious way he became a legend: the stuff from which that spy stories are made. All sorts of excuses have been made for him. He was at West-minster and Cambridge during the worst years of the inter-war depression. Not much was then known about the worst

Rather more was known about the reluctance of the British establishment to stand up to fascism in Spain and Nazism in Germany. In those circumstances, it was said to be understandable that a young man should turn to the left and only a bit out that he should allow himself to be recruited as

excesses of Stalinism.

a Soviet agent. Yet the excuses are flimsy. Thousands of other Cambridge undergraduates flirted with the left and many joined the Com-munist Party. Only a few, how-ever, turned to betrayal.

Philby will probably turn out to have been sui generis a man who knew all along what he was doing, did it regardless and, at the end, seemed to be proud of it.

The society that protected him also has something to answer for. It was a society that almost always gave him the benefit of

That cannot have been entirely due to his cleverness. Even at the end, when his involvement with Moscow seems to have been clear beyond doubt, he appears to have been given a tip-off to escape. That is the mark of an indulgent, self-protective group incapable of believing that one of its own could do so much wrong, and did not want its behaviour scrutinised too closely.

That there was relatively little fuss about how he had been protected is a sign that such a class survived the war.

In the Soviet Union, he was weln the Soviet Union, he was wel-comed as a hero. Tass, the Soviet newsagency, yesterday described him as a "outstand-ing Soviet intelligence agent." With three colleagues and Cambridge contemporaries, Donald Maclean, Guy Burgess and Anthony Blunt, he gave many of Britain's most pre-cious secrets to Moscow. cious secrets to Moscow. Soviet reaction: Page 2

THE LEX COLUMN

Home truths from the Bank

While an astrologer is probably best placed to interpret whether pest placed to interpret whether yesterday's remarks about UK exchange rate policy indicated any change in the balance of power between the Prime Minister and her much-quoted Chancellor of the Exchequer, the Bank of England's latest quarterly bulletin is refreshingly frank about the Government's current policy dilemma. The combination of a dilemma. The combination of a dilemma. The combination of a stronger currency and lower interest rates does not represent an ideal response to current concerns, and a different balance would be desirable if it could be achieved. Unlike many of the Bank's earlier pronouncements, the message does not need any decoding this time, and the only snag is that the Bank has no obvious solutions to offer.

Logic dictates that UK interest rates should be higher than they

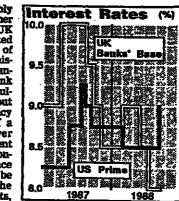
which explains why global bond years US prime rates are now a full 100 basis points higher than UK base rates, and judging by the steepness of the yield curve, UK banks could easily justify a

half point rise. However, sterling's continued strong performance yesterday, in the aftermath of the US prime rate increases, is a painful reminder that the UK authorities are going to find it difficult to engineer an increase in domestic engineer an increase in domestic interest rates in the absence of some external help. However, this is not beyond the bounds of possibility; if, for example, the forthcoming US trade figures are good, the dollar could start to deflect some of the upward pressure on the pound, and any rise in the US discount rate would also help. But at the moment, this is no more than wishful thinking.

Rowntree

As Rowntree's share price collapsed yesterday, the market pany treats its stock losses differseems to have been unaware of ently, it would be downright
the proposals which Suchard misleading to judge BP's 43 per
hadfalled to put to Rowntree the
day before. The ideas seem to the first quarter against the 18 have been too complex to have per cent advance from Shell amounted on Wednesday.

Mayortheless RP's performance to the first quarter against the 18 have been too complex to have per cent advance from Shell amounted on Wednesday. demonstrate that Suchard is still



Yesterday's 24p fall in the Rown-tree price, which brought it below Nestle's offer for the first Logic dictates that UK interest time, was only partly due to rates should be higher than they are now, and the same is probably true on a worldwide basis – which avalages why closed had stopped buying presumably as a means of putting the frighteners on the market by markets have been performing so the frighteners on the market by miserably over the last few showing it Rowntree's unsup-weeks. For the first time in three ported level under threat of a ref-

There is an element of calcu-lated risk here; if Suchard should make an outright counterbid, or should the Government suddenly announce that there will be no reference, Rowntree's price would doubtless jump beyond the level at which Nestle can buy in the market. On the other hand, stopping short of 50 per cent for the two Swiss companies com-bined may reduce the risk of the Government being rushed into defensive measures. There is some suggestion that Rowntree's lobbying is improving after a shaky start, and Nestle needs to tread softly.

many different measures of quar-terly performance that it is hard to know whether either company is going backwards or forwards, As Rowntree's share price colapsed yesterday, the market pany treats its stock losses differents to have been unaware of the proposals which Suchard misleading to judge BP's 43 per adfalled to put to Rowntree the cent fall in historic cost profits in the force The ideas seem to the first event cost of the first structure.

no money at all, whereas Sheil's better geographical spread meant better geographical spread theam it actually increased downstream profits. Like Shell, BP did well to increase its current cost profits overall in a period when sterling oil prices were 25 per cent lower. Yet the reason – freakishly high chemicals and minerals profits – is not altogether reassuring, as those profits will dip again when an unexpectedly rapid stockbuild comes to an end.

As usual, the comparative rat-

As usual, the companies looks beyond their relative performance. While these results suggest that Shell still deserves its traditional premium, the present gap probably owes more to the somewhat unlikely - prospect of the Kuwaiti stake searching for a new home, under the orders of the Monopolies Commission.

Royal Insurance Given the market's already

unenthusiastic view of the pros-pects for UK composite insurers, Royal could not afford to disappoint - and it certainly could not afford to report first quarter profits 20 per cent below already diminished expectations. Recent results from domestic US insurers had prepared the ground for a poor American showing, but a two-thirds decline in US pre-tax profits was simply more than investors could take: they regis-tered their disapproval by docking 23p from the share price to leave it at 399p. Even Royal's strong UK performance was marred by £10m in leftover hurri-cane claims and £5m in restruct-

uring costs.
Indeed, the sight of Commercial Union and Royal reporting such good underlying growth from the UK on two successive days may be of more than aver-Both BP and Shell present so age interest to Continental groups which are already trawling for 1992. The UK insurers are widely believed to have a head start in terms of competing in a liberalised market, and some of the more cosseted European groups may wish to buy in competitive talent from Britain.

Royal makes no secret of its own desire to increase its Continental exposure with the same hallowed date in mind. France's nnounced on Wednesday. Groupe Victoire seems a very Nevertheless, BP's perfor-sensible target for this ambition with such deep pockets.

Europe, where margins have holding structure is only one of the market's reaction to all been so low that its refineries many impediments to a quick that is going to be intriguing.

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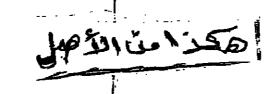
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SECTION II - COMPANIES AND MARKETS

FINANCIALTIMES

Friday May 13 1988



Hewlett-Packard in data network link with Nortel

HEWLETT-PACKARD of the US supplier, lacks strength in com- are based on "open" industry and Northern Telecom (Nortel) of Canada have formed a joint development and marketing organisation to target the market for company-wide data and voice computer network systems.

The companies described the market as "a billion-dollar opportunity over the next five years." Nortel is a leading supplier of telecommunications equipment. while HP is a major vendor of

The move is seen as a direct challenge to IBM, which through its acquisition of Rolm, a telecommunications equipment man-ufacturer, has developed a strong eadership position in the market for combined voice and data net-

uffice computer systems.

Other major suppliers of computer networks, such as Digital Equipment, lack the telecommunications expertise to combine voice and data communications. HP executives said, while AT&T, the leading telecommunications

BTR Nylex

of ACI unit

Allis-Chalmers

A gain of \$1.7m from discontinued operations reduced the 1987 final loss to \$9.78m. Sales slipped to \$92.8m from \$94.8m.

Travelers to sell

Canadian units

TRAVELERS, the US insurance group, has agreed to offer for sale Travcau, its Canadian sub-

sidiary, and Travcan's insurance

units Travelers Life Insurance of

Canada and Travelers Indemnity

The Hartford-based group said it would concentrate on the US

domestic insurance market and redeploy the capital resulting from the sale. In 1987, the Cana-dian unit had total premiums

written of C\$339.2m and had

reduces loss

to dispose

Insuran

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THE WATER

Birthing .

المشاجر كالمستعيد

puter networks.

The two companies will jointly

fund and staff an organisation to be known as Corporate Networks share a common vision of multiv-Operation to pool the two compa-endor corporate networks, and nies' expertise in distributed computing, telecommunications and networking.

CNO will serve as a single source for large corporate cus-tomers building networks based on equipment from HP, Northern Telecom and third-party vendors. The companies will each make "multi-million dollar investment" in the venture, and expect that over the five years of its duration it will produce extra revenues of \$1bn.

HP said the combined staff would initially be 30 and would be expected to grow. Company officials said, however, that both parties see this agreement as significant commitment and will make equal contributions. The joint venture will focus on

standards, rather than propri etary systems. Nortel said the companies

standards-based networking and computing systems.

The joint venture will result in

co-operative efforts in computer-aided telephony and ISDN or Integrated Services Digital Network applications. ISDN is an international standard for multiuse networks.

In addition, the companies announced plans to integrate their network management systems, including HP's recently announced Open View Windows system and Northern Telecom's Meridian Data Networking System, which is currently in proto-type testing.

Open View Windows is the sub-ject of a major copyright infringe-ment suit filed against HP by corporate network systems that Apple Computer.

Freeport McMoRan in Indonesia sale

BY KENNETH GOODING IN LONDON

FREEPORT MCMORAN, the New BTE Nyler, the quoted Austra-lian offshoot of BTR of the UK, is to sell the coal division of its Orleans-based natural resources group, has sold part of its share-holding in Freeport Indonesia recently acquired unit, ACI International, to Atlantic Richfield's Aron Coal Australia subfield's Aron Coal Australia subwhich values FI at about \$470m. sidiary, effective June 30. The company said the disposal was in line with BTR Nylex's The deal involved the parent group floating on the New York Stock Exchange its wholly owned was in line with BTE Nylex's stated objective of concentrating investments in traditional markets around the Pacific rim. No price was disclosed, but BTE Nylex officials expect the division to fetch some A\$170m (US\$137m) to A\$180m. subsidiary Freeport McMoRan

Copper, which in turn owns 85 per cent of FL Underwriters led by Kidder Peabody have sold 5m Freeport Copper shares at \$17.50 each. Of the total, 3.75m shares were sold

The sale is in line with the parent group's policy of floating off substantial chunks of its subsidiaries to make their true value

ALLIS-CHALMERS, the US air ditration and materials handling equipment group operating tunder Chapter II of the US Bankruptcy Code, reports a \$9.7m first quarter eperating loss against \$11.4m in 1987.

A sain of \$1.7m \$1.7m

Mountain range in Irian Jaya, the easternmost state of Indonesia. Last year it produced 225m lbs of copper (211.2m in 1986); 92,000 troy ounces of gold (85,000 ounces); and 1.344m troy ounces of silver (1.207m).

In its 14 years of operation FI has registered a profit in all but one year (1977), a record matched by only a handful of copper pro-

Last year its net income was \$43.379m (\$16.7m in 1986) or \$2.3 a share (\$0.78) on revenues of \$190m (\$151m).

FI recently announced an \$80m, three-year expansion programme to lift ore output by 4,000 tonnes a day to 20,000 tonnes or from 104,000 tonnes a year to 136,000 tonnes. The investment is designed to enable FI to continue to cut break-eyen costs, down 6 per cent last year to 50 cents per

ib of copper produced.

Freeport Copper will use the net proceeds of the flotation to repay debt incurred to pay a FI is mining in the Carstenz \$47.6m dividend to its parent.

Consob seeks details of De Benedetti share plan

CIR, Mr Carlo De Benedetti's sob regulatory authority delayed

The remaining Buitoni and When trading finally got under way, Bultoni's price fell by 6.65 per cent to L8.410 and CIR stock with CIR, which would bring was down by 3.27 per cent at with CIR, which would bring was de liquidity of L1,315bn (\$1.05bn) to L5,460. the holding vehicle. Yesterday, however, the Con-demand as "a mistake".

the Buitoni foods group.

master holding company, plans to incorporate the cash-rich detigroup shares and demanded quoted company shells left behind following the sale to Nestle of Switzerland of the assets of the Rollers are to be offered the Rollers from the cash of the Rollers are to be offered the Rollers from the cash of the Rollers are to be offered the Rollers from the Rollers are to the cash in graphs of the Rollers are to the cash of the cash of the sale to the sale to the cash of the cash of the cash of the sale to the sale to the cash of the cash of the sale to the sale to the cash of the cash of the sale to the sale to the cash of the cash of the sale to the sale to the cash of the cash of the sale to the sale to the cash of the cash of the sale to the sale to the cash of the sale to the sale to the cash of the sale to the sale to the cash of the sale to the ca CIR stock in exchange.

CIR described the Consob

Deborah Hargreaves in Chicago on USG's efforts to fend off unfriendly advances

Sending the Texan raiders back to the desert

ANOTHER FRONT in the run-the bid in the courts and with a ning battle for control of USC, recapitalisation plan that the the Chicago-based building products company, was opened on Wednesday at the company's annual meeting with a challenge by a keen representative of Des-ert Partners, the Texan raiders.

Mr Joel Reed, president of Des-ert Acquisition, a unit set up by two Texas oilmen, Mr Cyril Wag-ner and Mr Jack Brown to

acquire USG, faced a generally hostile gathering of long-time USG shareholders - many of whom are retired employees of the gypsum and wall-board company, as he proposed Desert Partners' nominees to the USG board. The meeting was interrupted with loud appliause for shareholders who spoke out against the raiders. "Send Desert Pariners

back to the desert," one shareholder said amid cheers from the In spite of being nominated by Mr Reed to positions on the company's board, Mr Wagner and Mr Brown themselves remained in

Texas. "They are very private people," Mr Reed explained afterwards. "They seldom make public appearances."

Mr Wagner and Mr Brown have not been shy in their pur-suit of USG, however, which they have been trying to take over

The limited partnership, which owns about 10 per cent of USG's trading at \$44 to \$46 on the open shares, has made a \$42-a-share market. tender offer that expires on Friday, putting a value of \$1.64bn on the company. In addition, the group has made two further merger proposals at a higher value, but which contain highly leveraged junk bond components.

Gerber's

earnings

rise \$2.8m

BY OUR FINANCIAL STAFF

GERBER PRODUCTS, the

world's largest producer of baby foods, yesterday reported a rise in fourth-quarter operat-ing earnings from \$12.4m or 63 cents a share to \$15.2m or 77

However, a charge of \$18.5m

company says is worth more than Desert Partners' proposals. The proxy contest for six seats on the USG board should give an holder support for the recapitalis-ation, which is due to be put to a

The company was claiming vic-tory in the proxy contest after Wednesday's meeting result of the voting is due to be announced on May 20 - but Mr Reed, claiming Desert Partners had substantial support, cautioned against believing the USG prediction

vote on June 24.

We are determined to acquire USG," he said. "The whole issue is about whether shareholders have a right to see management negotiate value for them."

Mr Reed insisted that Desert

Partners is not looking for a payoff or "greenmail" for its shares: "You do not spend eight months and tens of millions of dollars in expenses just to drive up the stock price," he said.

Management has contended

that USG is not for sale and says the partnership's bid is not wor-thy of consideration. All other proposals – at a higher value than \$42 a share - are just "airballs," according to Mr Eugene Miller, the company's vice chairman. USG's stock is currently

In order to defend USG from the raiders, Mr Robert Day, chair-man and chief executive, is having to load the company with debt that he would rather not

take on. The recapitalisation, which In response, USG has been involves payment of \$37 in cash mustering its defences, fighting for each share with \$5 in 16 per

	FIVE-YEAR RECORD							
	Sales (Sbn)	Net iscome (\$m)	Capital spending (Sm)	Leverage* (%)				
1983	1.42	80.3	58.9	14.8				
1984	2.11	186.5	118.5	30.4				
1985	2.33	223.8	152.9	17.8				
1986	2.72	225.5	195	97.7				
1987	2.89	204.3	179.7	122.3				
1987	2.89	204.3	179.7	122.3				

tures and one share in the recapitalised company, requires some \$2.2bn in funds. Most of the funds will be raised by bank financing with \$550m in subordinated debt. USG expects to repay some of this debt through the sale of its Masonite wood fibres division a business it acquired in 1984 -

and Kinkead, a unit of USG Industries that makes shower and bath tub enclosures. Mr Day said: "We will have to devote a lot of our energy to pay-ing down debt, and sell several key investments that we do not want to sell." Masonite has been estimated by analysts as being

worth about \$600m-\$700m and the

company said it had received inquiries from several interested USG had already initiated a restructuring programme in early 1987 as part of its three-year strategic plan to concentrate on four core building products busi-

Mr Day said that this involved management buying back about 20 per cent of the company's stock as well as introducing an early retirement plan and reducing salaried staff to save about

cent innior subordinated deben- off seven under-performing businesses, like the industrial metal division that did not fit into its plan. And early this year, USG spun off A.P.Green Industries, a

rate public company. The company's restructuring increased its level of debt to about \$750m in 1987, or 122 per cent of equity, from an extremely low historical level which seldom rose above 30 per cent before

But the proposed recapitalisa-tion will substantially increase leverage just as USG's market enters a down-cycle. Mr Paul Klenaitis at Duff and

Phelps, a Chicago investment firm, said: "Debt wouldn't be as great a concern if we were alking about a steady business. The construction business is very cyclical." USG's first-quarter earnings

reflect the cyclical nature of its business with income falling 53 per cent to \$39.8m or 77 cents a share, from \$84.9m or \$1.65 in the same quarter of 1987. Sales rose 3 Sale prices for gypsum wall-\$23m a year.
In addition, the company sold

shipments increased in March to a record monthly level for the

company. Mr Day also pointed out that 1987 first-quarter earnings were boosted by a \$30m unusual gain from the sale of some stock in its

Canadian subsidiary.
Mr Kenaitis said that, nevertheless, 1988 would see housing from a level of 162m units last year. He sees this decline cont-

inuing into 1990. He said this would put presproducts although this very regional market, the company

was doing well to have much of refractories company, as a sepa- its market share in the stronger north-east. USG has further made a strong push into the repair and remo-delling (akin to DIY) market, which is less cyclical in nature

and currently stronger than new construction. This market, which represented a quarter of USG's 1987 sales, is greater in dollar volume than the new construction Much of the company's future

growth is, however, focused on USG Interiors, a division estabinterior decoration packages to commercial customers.

This division has so far conce trated on selling cubicles and office dividers as well as USG's more traditional wallboard and ceiling tiles.

The company has planned to expand down this route into interior design, although its plan to per cent to \$715.2m from \$693.2m. acquire new businesses could be hampered by its new debt burden board - the company's major if the recapitalisation plan, which product - fell 13 per cent in Jan- will slash its capital spending uary and February this year budget by \$100m a year, goes according to Mr Day. However, ahead

Davis considers rival bid

preneur, is contemplating making a \$15-a-share cash offer for Lorimar-Telepictures, the Holly-wood studio which earlier this week agreed to a \$610m takeover by Warner Communications, worth about \$131/2 a share, writes Our Financial Staff.

terday it had received a letter from a Davis company requesting certain information "in contem plation" of making the bid. The letter said the information would be subject to proposed confidentiality and standstill arrange

Nynex growth 'on track'

concern, expects 1988 earnings to \$1.3bn, or \$6.26 a share.

nade before the stock market storage,

He declined to predict the exceed last year's net income of extent of this year's profit

Mr Delbert C. Staley, chairman and chief executive, said Nynex duce several new services includwas still "on track" with profit- ing automaticmeter reading for growth projections that were utilities, voice mail and message

Trinkaus&Burkhardt

package of disposals produced a net loss of \$3.3m in the latest quarter. Sales rose from \$233.7m to \$258.9m. Mr David Johnson, chairman

cents,

and president, said operating results "understate the true strength of the quarter." The company said its baby food brands ended fiscal 1988 with a market character and the with a market share of more than 70 per cent, the highest

The increase was helped by volume increases resulting from higher birth rates and expanded distribution of new products.

For the year, the company reported net earnings from continuing operations of \$52.6m or \$2.66 a share, against \$34.5m or \$1.72. Sales jumped from \$808.5m to

1987: Client Services Expanded

Group Accounts 1987

Balance sheet total 6,207 + 4.7 Credit volume 4,399 + 2.7 Securities holdings 969 - 7.8 Capital resources 259 + 2.4 Net interest 103 + 6.9 Net commission 107 + 12.0 Partial operating profit 83 + 12.3	Selected Data	in DM million	against 1986
Credit volume 4,399 + 2.7 Securities holdings 969 - 7.8 Capital resources 259 + 2.4 Net interest 103 + 6.9 Net commission 107 + 12.0 Partial operating profit 83 + 12.3	Total business volume	7,423	+ 2.2%
Securities holdings 969 - 7.8 Capital resources 259 + 2.4 Net interest 103 + 6.9 Net commission 107 + 12.0 Partial operating profit 83 + 12.3	Balance sheet total	6,207	+ 4.7%
Capital resources 259 + 2.4 Net interest 103 + 6.9 Net commission 107 + 12.0 Partial operating profit 83 + 12.3	Credit volume	4,399	+ 2.7%
Net interest 103 + 6.9 Net commission 107 + 12.0 Partial operating profit 83 + 12.3	Securities holdings	969	- 7.8%
Net commission 107 $+12.0$ Partial operating profit 83 $+12.3$	Capital resources	259	+ 2.4%
Partial operating profit 83 +12.3	Net interest	103	+ 6.9%
	Net commission	107	+12.0%
Post-tax profit 83 $+12.3$	Partial operating profit	83	+12.3%
	Post-tax profit	33	+12.3%

Bank of England concern on gold loans

misgivings about the recent upsurge in gold loans, with which mining companies raise finance on the basis of future gold production, Mr Robin Leigh-Pemberton, the Governor, said as a method of raising development cash.

The apparent returns on gold loans had led to the involvement of banks and other intermediates, often as part of large consortia, with little or no understanding of, or previous

The system involves a miner citation borrowing gold from a bank or banks, selling it for immediate doubt major cash and paying back over several years in gold.

Interest rates are low, typically loans.

don Bullion Market Traders Association, Mr Leigh-Pemberton stressed that the Bank had no doubt about the ability of the major bullion houses to assess and manage the risks of gold

THE BANK of England is having involvement in, the bullion marmisgivings about the recent ket, he said.

Since the collapse in equity lateral for the said.

The Bank of England is having involvement in, the bullion marmisgivings about the recent ket, he said.

Since the collapse in equity lateral for the said. banks is that the system enables them to earn a return on an otherwise non-interest-earning asset. Speaking at the first annual banquet of the newly-formed Lon-

"But I would be less confident about other intermediaries who may be attracted to this market. It would be a matter for regret if such firms were to find themselves unduly exposed and, at the very best, able to meet their commitments only at a substantial and unanticipated cost", he said

"The ramifications, particularly if they were to spill over to create potentially disorderly mar-kets, should not be underesti-

UK rules out merger changes over 1992

BY HAZEL DUFFY IN LONDON

policy as a result of the single nature of the market is clearly

the Confederation of British Industry (Britain's employers' organisation) that "1992 will not call for a sea change in mergers policy - just a further evolution of the approach we have taken ket share - sometimes in excess for many years."
CBI leaders have suggested

that the monopoly consideration should take into account the fact that what creates a monopoly in the UK market should be

ty's market.

Lord Young said the criticism even greater role in examining of those who said UK policy was too parochial was based on a mistor of the Swiss policy which makes of those who said UK poncy was too parochial was based on a mission parochial was based on a mission conception.

Lord Young made no mention to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns. But afford to be complaint to take over Swiss concerns.

LORD YOUNG, Trade and Indus-try Secretary, last night ruled out any changes in UK competition consumers. But the geographical European market coming into relevant it may be a region of the UK; it may be the whole UK; He told the annual dinner of but equally it may be the Euro-he Confederation of British pean or indeed a wider interna-dustry (Britain's employers' timal market."

He added: "There have been many cases in recent years when a merger has created a high marof 80 per cent . yet the merger has not even been referred to the Monopolies and Mergers Commission for closer scrutiny, let alone been stopped."

extended to take account of the share a company would have in however. "As competition the whole European Communicountries so it will assume an



returned to the theme in the light of the Nestlé bid for Rowntree, the UK sweets group. "We must be in a position to make acquisitions in Europe, if our European friends are to have free access to the UK. We cannot

afford to continue playing foot-ball against people with a brick

wall across their own goal-

He made a strong plea for British companies to stay in British hands. "Our objective must be to tear down the walls of protection ism." It would be tragic if the only way critical mass on an international scale could be achieved in the UK was for the ownership of British business to

be transferred overseas. He told husiness leaders that although they had good reason to be more confident they could not afford to be complacent. "We are doing better; we are still not

The Trinkaus & Burkhardt Group had another successful year in 1987.

Existing services were expanded, and others were intro-

duced. Ongoing relationships were strengthened, and new

clients were acquired.

In the underwriting sector, our increased placing capacity and innovative market approach led to new lead management mandates. Business with both German and international institutional investors rose significantly and our market share in portfolio management also grew. The Trinkaus & Burkhardt Liquidity Management Service helped strengthen business with investment-orientated firms. Overall, our commercial business was boosted by foreign exchange and currency options business, syndications, forfaiting of foreign receivables, and higher volume of international payments transactions. Issue and placement of the Bank's own bonds enabled growth in long-term lending.

The Group's strength was also reflected in a 12.3 % rise in partial operating profit. Trading for the Bank's own account, which achieved good results in the bond and foreign exchange sectors, was dampened, however, by setbacks on the stock market. Nevertheless, net profit reached DM 328 million up 123% over the previous year.

As in 1986, it is proposed that Trinkaus & Burkhardt KGaA pay a dividend of DM 9.00 per DM 50.00 share, representing a total dividend distribution of DM 16.2 million on share capital of DM 90 million. The Group will retain DM 16.6 million, DM 9 million of which in the KGaA.

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14% Bonds due 1996

(Issued on conversion of US\$50,000,000, 154/1/4 Bonds due 1996)

NOTICE IS HEREBY GIVEN that pursuant to Condition 4(c) of the Terms and Conditions of the 14% Bonds due 1996 (the "Bonds"), GTE Finance N.V. has elected to redeem all of the outstanding Bonds on 15th June, 1988 at the redemption price of 1011/4% of their principal amount.

Payment of the redemption proceeds (US\$1017.50 per Bond) will be made against presentation and surrender of the Bonds cum Coupon No. 8, and subsequent attached, at any of the Paying Agents

PAYING AGENTS

Orion Royal Bank Limited. 71 Queen Victoria Street,

Banque Bruxelles Lambert S.A., Avenue Marnix 24, B-1050 Bruxelles, Belgium

Banque Nationale de Paris, 16 Boulevard des Italiens,

75450 Paris, France

Commerzbank Aktiengesells Neue Meinzer Strasse 32-36,

D-6000 Frankturt/Main 1. Federal Republic of Germany

stional Westminster Bank U.S.A. 80 Pine Street. New York, N.Y. 10005, U.S.A.

2 Boulevard Royal, 2953 Luxembourg

Berliner Handels-und Frankfurter Bank, Bockenheimer Landstrasse 10, D-8000 Frankfurt/Mein, Federal Republic of Germany

Continental Binole Limited 162 Queen Victoria Street,

London EC4V 4BS, England

Société Générale de Banque S.A., Montagne du Parc 3,

Coupons which mature on or prior to the redemption date should be detached and presented for payment in the normal fashion. Interest on the Bonds shall cases to accrue on and after 15th June, 1988.

DATED: LONDON, 13th MAY, 1988 For and on behalf of GTE Finance N.V. by:



ORION ROYAL BANK LIMITED A member of The Royal Bank of Canada Group

FISCAL CONVERSION AND PRINCIPAL PAYING AGENT

Under the United States Interest and Dividend Tax Compilance Act of 1983, any payment made within the United States, including payments by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees not recognized as exempt recipients fall to provide the paying agent with an executed IRS form W-8 in the case of non-U.S. persons or an executed IRS Form W-9 in the case of U.S. persons or the paying agent with the case of U.S. persons or the paying agent with the case of U.S. persons or the paying the pa taxpayer identification on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of U.S. \$50. Please, therefore, provide the appropriate certification when pressured securities for payment or conversion if payment or conversion within the United States is sought.

This announcement appears as a matter of record only.

135,000 Shares



Rieber & Søn a/s

Secondary Offering

The undersigned arranged the private placement of these shares in the United Kingdom

CAZENOVE & CO.

May 1988

INTL. COMPANIES

Banco Santander poised to take Italian stake

BANCO SANTANDER, one of Spain's big private banks, is poised to buy a 30 per cent stake in Italy's 11th largest commercial bank, Istituto Bancario Iraliano (IBI), from its owner, Cariplo, the

nearly 10 months of negotiation between Santander and Cariplo could end later this month with an agreement under which the Spanish bank would take the stake in IBI in return for 14.9 per cent of its Catalan subsidiary,

and the rest in cash. In its final form, the agreement might not match Cariplo's earlier expectations, which were for a significant holding in Bance de Santander itself, but it represents prosperous north of Italy. Before possibly the boldest European acquisition yet by a major Span-

takeover of Norddeutsche Faserwerke, a West German fibres pro-ducer, despite the blocking of the

acquisition two months ago by the West German Federal Cartel

ICI's refusal to give up on the

venture, which it argues is in the interests of both companies and could help in a much-needed rationalisation of the European

fibres business, has general sup-port in both the fibres industry

and at the European Commis-

ICI said the matter was at a delicate stage. It would not com-ment beyond saying it was "still

talking" to the German company, which, like ICI, specialises in nylon fibres used in textiles and

Eight banks

ahead 35%

By Our Medrid Correspondent

PROFIT margins in Spain's bank-

Banco Hispano Americano

Viscaya, which are in the process

profits also rose about 31 per cent

Banco Exterior, which is

owned by the state, made pre-tax profits of Pta2.2bn, a rise of 13.8

per cent. Four-month figures pub-lished yesterday put pre-tax profit at Pta3.1bn, a 20 per cent

improvement on last year, while

Banco de Credito Espanol

nighly profitable. The sector,

though, is undergoing considerable turnoil at present as differ-

ent banks adopt their own strate-

gies before the European single

Multi-Purpose cuts

By Wong Sulong In Kuala Lumpur

losses after shake-up

MULTI-PURPOSE Holdings, the Malaysian Chinese investment group, has succeeded in cutting losses after a large-scale manage-ment overhaul. Operating loss

was 31m ringgit (\$12.1m) for 1987 compared with a loss of 65.5m ringgit in 1986. Turnover fell 20

The after-tax loss was 29.5m

ringgit compared with a loss of 57.2m ringgit previously. After taking into account minorities

and extraordinary items, the net

attributable loss was 27.6m ring-

The group said the reduced

osses were due to higher profits

from its plantation division and

substantially lower losses by the shipping subsidiaries. However,

the company's property, banking and lottery units recorded poorer

per cent to 467m ringgit.

git against 228m ringgit

Banesto was yesterday moved

market in 1992.

in Spain

Last year, Banco Santander entered the West German banking business by buying Bankhaus Centrale Credit and its valuable Visa card franchise from Bank of America for some Pta9hn

big Italian savings bank. The planned Italian deal, if it It is understood in Madrid that goes ahead, would add substance The planned Italian deal if it to Santander's refusal to join the trend towards bank mergers that still seems to be fashionable in

The bank said earlier this year that it would prefer to expand in the rest of Europe as a way of preparing for the single market Banco Jover, just under 1 per preparing for the single market cent of Banco Santander itself, in the European Community in

being sold to Cariplo it was owned by the late Mr Carlo

nance in the West German mar-ket for nylon fibres. The only

other big supplier in this field in

Germany is Rhone-Poulenc of

reduce a general overcapacity in

fibres production in Europe. The officials say the issue should be considered as part of an overall European industrial strategy

rather than as a domestic matter affecting only Germany.

however, reluctant to intervene as this might provoke a row with the German Government.

The European Commission is,

Officials in the European Commission have made it clear they supported ICI's move, which Brussels believes is necessary to

IMPERIAL Chemical Industries, The cartel office blocked the the UK chemicals company, is acquisition on the basis that it continuing to discuss the possible would give ICI too great a domi-

Agreement with the Italians was no doubt helped last month by the Bank of Spain agreeing to lift its restrictions on new foreign banks entering Spain and grantoperate here.

capitalisation of Pta647bn (\$5.83bn) is the highest of all of

industrial holdings.

ing power generating utilities.

ing an Italian bank a license to Banco Santander is one of the most profitable of the large Span ish banks and its stock market

them. It made net profits of Pts21bn last year.

Banco Espanol de Credito yesterday denied Spanish press reports that it was negotiating a person with Banco Control but merger with Banco Central, but said the two banks were discuss ing co-operation between their

Both banks have extensive interests in construction and oil refining and hold significant stakes in several of Spain's lead-

CIRFS, a European trade body for fibres companies, said he hoped

the ICI takeover would still go

Germany and the whole of Europe, he said. If I were ICI, I

would be extremely tough with the cartel office and try to find a

mechanism so the venture can

Dr Gunter Metz, deputy chair

man at Hoechst, a big German fibres producer, said he thought

the action by the cartel office was "ridiculous." He said it indicated

that "our legal people (in the Ger-

man Government) still think in

terms of one nation rather than thinking globally."

Hoechst is one of the bigges

European suppliers of polyeste

Professor Jean-Louis Juvet, fibre but is not involved in nylon director general of Paris-based production.

Israel Chemicals seeks to

swap shares in the US

"It would be in the interests of

Also with subsidiary in Luxembourg and representative offices in Copenhagen, Halabald, New York and Stockholm. Union Bank of Norway is known demerically as ABC bank Union Bank of Norway ICI continues Faserwerke talks

HQ in Oslo: Jon Svendsbråten or Jan Berg.

Tel: (472) 31 87 37. Telex: 19470 UBN BK.

20 St. Swithins Lane, London EC4N 8AD.



Bankers Trust International Capital N.V.

(Incorporated in the Netherlands Antilles) U.S.\$200,000,000

Guaranteed Floating Rate Subordinated Notes Due 1996

For the three months.

16th May, 1988 to 16th August, 1986
the Notes will carry an interest rate of 711/16 per cent
per annum and interest payable on the relevant
interest payment date 16th August, 1988 will be
US\$196,46 per US\$10,000 note.

London - Agent Bank

National Westminster Finance B.V. (Incorporated in The Netherlands with limited liability) U.S. \$500,000,000 Junior Guaranteed FRNs

-

National Westminster Bank PLC

(Incorporated in England with limited liability) Notice is hereby given that the Rate of interest has been fixed at 8-25% p.a. and that the interest payable on the relevant Interest Payment Date, November 14, 1988, against Coupon No. 9 in respect of U.S.\$25,000 nominal of the Notes will be U.S.\$1,059-90 and in respect of U.S.\$5,000 nominal of the Notes will be U.S.\$21.1-98.

May 13, 1988, London By: Cribank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

ISRAEL CHEMICALS, the state- to \$1.03bm. Exports will represent owned chemicals holding com-pany, is seeking a share swap Profits have, however, been with leading American chemical below expectations in the past two years, and Gen Erez said that

last year with the eight large commercial banks reporting a gain of nearly 35 per cent in total pre-tax profits for the first quar-

BY ANDREW WHITLEY IN JERUSALEM

Sea Bromine Group, a wholly-owned subsidiary. One possibility recently recovered from financial is that shares in the bromine prodifficulties associated with take ducer will be floated in New overs, reported a massive 89.4 per | York, cent gain on last year's first three

months with profits of Pta8.1bn the privatisation of a long list of year of \$220m. (\$73m). Its growth has been followed by Banco Central, with a 42.6 per cent rise to Ptal0.5bn.

Other increases include national, the US investment bank roughly equal performances from appointed as a consultant to the Banco de Bilbao and Banco de Israeli Government.

Despite a decline in the prices of merging, with profits each up of fertiliser, one of its main prod-31 per cent to Ptas.1bn. Banco de ucts, Israel Chemicals is forecast-Santander's consolidated group ing an increase in sales this year ing an increase in sales this year holding in New York.

while the company was anxious to go private, it was "not in a hurry" to conclude a swap deal on inadequate terms. The com-pany's equity value is \$460m. Much the same considerations apply to Dead Sea Bromine, the world's leading exporter of bromine and bromine compounds. Earlier this month, a plan for with a turnover expected this

The company was a prime can-didate for privatisation three years ago, but the prospectus was withdrawn. It may be reissued. Mr Ariel Ginsburg Dead Sea Bro-mine's president, said he hoped that by the end of the year the go-ahead would be received to sell an initial minority equity

SGB cement subsidiaries' earnings surge by 62%

Korea Exchange Bank

U.S.\$100,000,000

Floating Rate Notes due 2000

Convertible into three year Notes on or after

November 1987

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 13th May, 1988 to 14th November, 1988 the Notes will carry an Interest Rate of 8716% per

Interest due on 14th November. 1988 will amount to U.S. \$427.17 per U.S. \$10,000 Note and U.S. \$10,679.25 per U.S. \$250,000 Note.

The three year Notes will accrue interest at 8½% for the above period and interest payable on 14th November, 1988 will amount to U.S. \$414.32 per U.S. \$10,000 Note and U.S. \$10,358.07 per U.S. \$250,000 Note.

Morgan Guaranty Trust Company of New York

London - Agent Bank

THE CHALLENGES for Société

(Banesto) grew 22.7 per cent to Pta10.6bn and Banco Popular, the smallest but most profitable of the big eight banks, saw first-quarter earnings rise 23.4 per lies in its portfolio.

With foreign competitors not yet free to expand at will in Spain, the local banks remain highly monthly marks a big sequence in North America in 1988. 1986, has reported sales of BFr36.23bn (\$1.03bn) for last year compared with BFr30.3bn the year before, and net profits up 62.4 per cent in 1987 to BFr2.34bn, Looking ahead to 1988, the poard says prospects are varied Banesto was yesterday moved and the results are forecast at to deny strong speculation that it this stage to be "comparable" and Banco Central are also about with those of 1987. The recovery

to merge. The two banks have of the construction sector in Bebeen experimenting with "co-operation" among their industrial through this year.

Construction activities in the Construction activities in the Netherlands are likely to be close to 1987 levels, progress in Canada will be supported by economic growth in British Columbia and the high level of activity should be maintained in the American be maintained in the American states of Washington, Oregon and northern California.

"For the first quarter of 1988. results of the European activities. benefitting from outstandingly mild weather, have exceeded forecasts and are ahead of the same period in 1987.

The figures from Gechem, the chemicals and explosives group, and Vielle-Montagne, Belgium's largest zinc smelter and producer, are not so encouraging. In Vielle-Montagne's case, the losses forecast last October have been confirmed and the group

consolidated results amounted to BFr3.07bn, of which BFr2.17bn represented exceptional charges relating to restructuring costs.

For the future, the board says that "one can reasonably predict, even without significant changes in metal prices, the level of the

dollar or the general economic situation of last year, that the company should at least break even in 1988." Gechem, meanwhile, has recorded a consolidated group

loss of BFr2.19km "but says that the large part of this will be non-recurring."

Republic of Austria

U.S.\$128,000,000 151/2 per cent. Bonds due 1988

U.S. \$50,000,000 8¾ per cent. Bonds 1990

Nodoe is hereby given, on behalf of the Issuer, that, in accordance with Clause 17(b) and Condition 11 of the Paying Agents Agreement and the Terms and Conditions of the Bonds respectively, effective from 1st March, 1988, the Paying Agency duties of European American Bank (the New York Paying Agent) for the above-mentioned issues have been officially assumed by Bankers Trust Company, Corporate Trust & Agency Group, 8th Floor, 4 Albany Street, New York, NY 10015.

S.G. Warburg & Co. Ltd. Principal Paying Agent

13th May, 1988



IA Savings bank established under Danish Banking Law)

U.S. \$45,000,000 Floating Rate Subordinated Notes due 1996

Holders of Floating Rate Subordinated Notes of the above issue are hereby notified that for the interest period from 16th May, 1988 to 16th November, 1988 the following information will apply:-

1. Rate of Interest 2. Coupon Amount:

81/4% per annum US\$412.08

3. Interest Payment Date: 16th November, 1988

Bank of America International Limited



U.S. \$50,000,000 Floating Rate Capital Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that the Rate of interest for the Period 13th May, 1988 to 14th November, 1988 has been fixed at 3% per annum. The Coupon Amount in respect of U.S. \$10,000 iteminal of the Notes will be U.S. \$411.11.

The Interest Payment Date will be 14th Newember, 1988.

Agent Bank Samuel Montagu & Co. Limited

INTL. COMPANIES AND FINANCE

Gordon Cramb on the NZ investment group's latest reorganisation

Equiticorp looks to its reputation

New Zealand investment com-pany which in the last four years has grown through a series of high-profile deals at home and abroad, is on the move again.

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C. N. W. See Expansion has brought it control of businesses as diverse as Monier, the Australian building products supplier group sold by Rediand of the UK, and Guinness Peat Group, the London-based financial services organisation. The stock market collapse last October, as for so many of the

region's entrepreneurial compa-nies, brought an abrupt change in the terminology heart from Mr Allan Hawkins, the former Westpac banker who as chairman had spearheaded its rise. He began speaking of a "consolidation phase" in which there would be assets "surplus to requirements scheduled for sale."

As Australasian investment stars from Mr Robert Holmes à Court to Mr Bruce Judge began succumbing to the realities of succumbing to the realities of their overexposure to the equity trading - where volume scorched local equity markets, has dwindled to around a tenth scorched local equity markets, has dwindled to around a tenth worries began to be heard among of pre-crash levels - was one analysts that Equiticorp too might not long be able to sustain its high level of borrowings.

Although the company has insisted throughout the past six months that it remains liquid and that its underlying busi-nesses are sound, only in the past week has a succession of events unfolded which Equiticorp sees

when the 61 per cent owned GPG settled the long-delayed demerger plans for its Guinness Mahon banking side, and Mr Hawkins announced that Equiticorp itself would move its corporate base will be run from Sydney.

sector bonds.

Please contact:

Telex: 19968 ABC SE.

four separately quoted arms of the group into a simpler struc-ture. The New Zealand stock market was not thrilled, however, and shares in Equiticorp Holdings fell 6 cents yesterday to

expects to provide the bulk of its future funding needs.

The Australian share market

as offering the clear prospect of re-establishing its reputation among international investors.

The latest came on Wednesday, is lacking in the New Zealand

in Hong Kong where Capitalcorp International, its existing quoted offshoot, is to be absorbed into the new group. This remains dependent on the attitude of the from Auckland to set up in Hong dependent on the attitude of the Kong as a UK non-resident com-pany. Australasian involvements The Securities Commission said yesterday that, before it man stresses that only 40 per cent of the group's NZ\$4.44bn (US\$3.06bn) assets are in its maternal market, and that its aspirations remain international.

Under the reshape:

The new Equiticorp International will offer two shares and one option for every two Equiticorp Holdings shares. The options are exercisable at A\$1.40

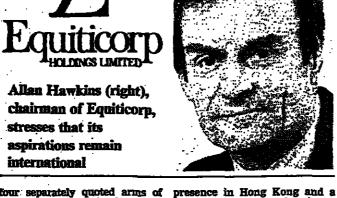
 Equiticorp International will bid on the same basis for Equiti-corp Tasman, its 59 per cent owned Australian offshoot, and offer offer two shares and an option for each share in Aurora, a New Zealand property group where it holds 78 per cent. Offer terms for the 32 per cent minority in Capitalcorp await documentation being drawn up in

who is expected to resign as the changes go through — its most significant local asset is a 15 per cent stake in Chung Wah, a shipbuilding, equipment leasing and Peltex International, a New Zealand carpet manufacturer in which Equiticorp currently has 60 per cent, will buy from its parent the Monier operations as well as Equitionp's 80 per cent stake in New Zealand Steel, bought from the government last Octo-ber. Following the cash and est steel fabricator in Hong Kong. At current market prices for Chung Wah, however, the stake shares deal, Equiticorp's stake in Feltex will rise to 78 per cent and

it will be the group's main indus-trial presence in the country. The Peltex deal will provide an injection of cash for Equiticorp executives will spend their time. But Equiticorp's operations out-side Australasia will be run from but borrowings will still be high at NZ\$2.73bn against sharehold-ers' funds of NZ\$339m. Equiticorp can also expect to realise some of its investment in GPG-

Equiticorp net profits of NZ\$105m for the year to last March were, despite the crash, matched in the first 10 months of its current extended reporting period which runs to June.

unfavourable changes proposed for New Zealand's own national Mr Hawkins himself, whose stake in Equiticorp Holdings taxation structure are only one element motivating the move. Sir grew recently to 50.3 per cent, Ron Brierley is among leading New Zealand investors who have will emerge with 39 per cent of his reconstituted company. threatened to move their corpo-rate empires offshore if the Labour Government imposes a Unlike Mr Holmes à Court,



stand at 76 cents.

reason which Mr Hawkins identified as prompting the move. Shares in the new Equiticorp International holding company will be denominated in Austra-lian dollars and quoted in New Zealand, Hong Kong, and Austra-lia, the last of which markets he

is lacking in the New Zealand market," he said. He did not elaborate on plans

This forms part of a reorganisa-would sanction a change in own-tion plan which, though in itself ership, it would insist on the complex, aims to bring together establishment of a firm directoral

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Euromoney Publications has done well to

the international financial markets with

profits higher than in the first half of last

Our turnover in the six months to March 31

surplus by 13 per cent. Operating surplus

does not include interest on our deposits

Global Investor, Euromoney and its surveys.

Hawkins subsidiary all had good first-halves

conferences, databases and our new-

For this better than expected outcome for

the first half of our year, we have to thank

some very good work by our staff during

Pre-tax profit (unaudited)

Earnings

Interim dividend

Half-year highlights for 6 mouths to March 31

and made higher profits.

which fell in line with lower interest rates.

grew by 38 per cent and our operating

come through a most difficult half-year in

Union Bank of Norway is an active manager

Feltex acquisitions make it number two in NZ

FELTEX INTERNATIONAL, in leading designer and maker of reliter which started as a car
reliter trailing designer and maker of taking control of the recently privatised New Zealand Steel and the Monier building products company in Australia, will bring per cent majority in NZ Steel ties total spending on its expansion programme to more than NZ\$900m (US\$619.3m) in less than a year.

The move will double the size of Felter which started as a car-

clear reason for operating there.

According to Mr Peter Hunt,

hotel management company which is also said to be the larg-

is valued at less than HK\$25m

(US\$3.2m). It has not been made clear

where Mr Hawkins and his senior

the present Capitalcorp offices which, said Mr Hunt, "can com-

fortably hold about 10 to 15 peo-

is clearly aimed at tax efficiency, although Mr Hawkins says that

The re-domiciling of Equiticorp

Capitalcorp managing director

of Feltex, which started as a carpet producer, to make it the country's second largest industrial group, with assets of NZ\$2.3bn and annual sales of in 1921, now has 35 manufacturing plants throughout the world before the implicit of Moriel. emphasis on issues by Norwegian borrowers and

Mr John Lindsay, the group's managing director, describes the and NZ Steel — and has 5,560 purchases from Equiticorp as a employees. Monier has 103 facilibig step in the Feltex strategy of ties, including quarries, in Ausestablishing itself as a significant trails and another 10 in North trans-national manufacturing America.

Feltex took the first step in its profits will reach more than expansion programme in May of NZ\$100m for its current year, up last year with the acquisition of from NZ\$71.8m.

months when leading banks and securities

reasonably well. Barring another collapse in

confidence, we hope for a good six months

with profits probably not as high as in the

■ An interim dividend of 5 peace a share will

be paid on 20 May, 1988 to shareholders

international depositary receipts can receive

up 38 per cent

up 2 percent

up 0.07 pence

same

registered on 13 May, 1988. Holders of

their dividend from 20 May 1988, by

presentation of coupon number 2 to

one of their agents.

Banque Internationale a Luxembourg or

houses were slashing spending on

■ The second half of our year has begun

stock markets, or a similar blow to

promotion, including advertising.

newly-issued Feltex shares. In America. The production of woo the Wellington Stock Exchange, carpeting now accounts for only Feltex shares closed 5 cents lower 14 per cent of its sales mix. The yesterday at NZ\$2.50. enlarged group forecasts that net

The NZ Steel and Monier aquisitions will cost the company in New Zealand, 17 per cent in NZ\$351m in cash plus 116.1m of Australia, and the rest in North

- before the inclusion of Monier

Allsteel, a North American commercial and systems furniture have a 78 per cent shareholding in Feltex which, however, will an increased level of debt In November it bought Suer have an increased level of debt Sky, claimed to be the world's after the acquisitions.

Minebea more than doubles interim profits

By Carla Rapoport in Tokyo

MINEBEA, Japan's aggressive electronic components and ball bearings company, more than doubled pre-tax profits in the six months to March, to Y8.8bn (\$70.7m) from Y4.1bn on sales up by 20 per cent to Y74bn. Most of the improvement was due to higher profits from its overseas subsidiaries acquired over the

last several years.

The company is the world's leading manufacturer of miniature bearings and is famous for its aggressive approach to takeovers. Its profits appear to vindicate that strategy which is con-sidered highly unusual within the Japanese business environ-

ment.
Minebea's single attempt at a
hostile takeover, however, was
abandoned earlier this year when sold its 18 per cent stake in Sankyo Seiki, an electronics parts company. The group is continuing to diversify into semi-

conductors and keyboards. For the full year, it expects parent company pre-tax profits of Y15bn on sales of Y154bn.

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[74% Amer Burkerd Certificat Service 1986 Earns A
ľ	On May 16, 1986 holders of energy Asset Backed Contributes will be created
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1	(a) Dutribution representing principal(\$6219.75 (b) Distribution representing interest(U\$34.6)
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EUROMONEY PUBLICATIONS PLC

£13,230,000

£ 2,412,000

7.52 pence a share

5 pence

MORGAN CUARANTY TRUST COMPANY

This announcement appears only as a matter of record.



Red Dog Project



Cominco Alaska Incorporated is an indirect wholly-owned subsidiary of Cominco Ltd.

\$300,000,000

Multi-Option, Multi-Currency Project Facilities

\$200,000,000 Construction and Term Loan \$100,000,000 Revolving Working Capital Facility

(in connection with the project financing of the development of the Red Dog zinc-lead-silver mine and (acilities)

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Metallbank GmbH

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Barclays Bank PLC The Fuji Bank, Ltd.

National Bank of Alaska

Financial Advisor to Cominco Alaska Incorporated and Cominco Ltd.

Morgan Stanley & Co.

Coordinator and Agent

Union Bank of Switzerland **Project Finance Group**

March, 1988



Sweden ANNUAL REPORT INDEX 1988

Last year 1987) was a good year for FFV, in which we achieves on Objectives Looking alread to 1988, I -anticipate o year Of speakly sincroverness in the Group's francial status Rame Nyman

President and Chief Executive Officer

Over the next few weeks the Swedish Annual Report Index will highlight key details from the latest annual

reports from a series of leading Swedish The FFV Group markets advanced technology. Most of the companies are involved in technically-advanced operations. Samefa, for instance, is a world leader in the automotive after-

In 1987, FFV took another few steps towards its goal of becoming a multi-national industrial corporation. The international focus of operations was further strengthened by Telub's acquisition of the majority of the shares in the German company Bitronic GmbH (third-party maintenance) and the English company SPS Technical Ltd. (technical information and documentation services). The Aerotech group also acquired a 35-percent interest in the English company, Qualitair Aviation Holding Ltd. (overhaul and modification of

large 'Wide-body' aircraft). Group order bookings totalted SEK 5.1 million. Invoicing rose during the year to SEK 5 billion, an 18 percent

Group earnings in 1987 amounted to SEK 165 million an increase of 50 percent on the previous year.

The FFV Group has about 10,000 employees, with headquarters in Esklistuna, I 10 km west of Stockholm. The FFV Group is highly decentralized and organized into five

Business Areas: Business Area Ordnance is responsible for production of all defense material. Business Area Aerotech is mainly involved in aircraft maintenance. Business Area Telub deals within dataprocessing, communications and electronics. Business Area Holding comprises several companies under development and Business Area Development, which is FFV's "nursery", handles new operations and also includes companies whose activities span the entire FFV Group.

A	their 1987 Annual Report.
W	SSI CARDO
<i>-</i>	UROC FFV MoDo
N	OBEL INDUSTRIES SWEDEN
P	ERSTORP PROCORDIA
S	CA SKF SKANSKA
S	WEDISH MATCH
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Seoul listing plan sparks protest

CONCERN Is mounting among tors just as the country is being foreign companies in South Korea over a government plan to force joint ventures to list on the Korea Stock Exchange. Listing would dilute foreign equity in the partnership and possibly allow takeouver by the Korea very narraes.

To service the Japanese and Chinese to manufacture, since Japanese to manufacture, since Japanese to manufacture, since Japanese and Chinese to manufacture to manufacture, since Japanese and Chinese to manufacture, since Japanese and Chinese to manufacture to manufactu Korea over a government plan to force joint ventures to list on the Korea Stock Exchange. Listing "Many people believe South would dilute foreign equity in the partnership and possibly allow takeover by the Korean partner.

The idea has a sate for plants to considered as a sate for plants to service the Japanese and Chinese

cross holdings in large conglom-cases, South Korea does not ernment's policy.

erates, and to force companies to allow wholly-owned subsidiaries. The row illustrates the proba modern financial system. But the inclusion of joint ven-

tures has sparked strong protests by both US and European compa-They say the plan is shortsighted

takeover by the Korean partner.

The idea has arisen as part of a wider policy to persuade South

Korean companies to go public, so as to broaden the base of the stock exchange, to disentangle companies to go public, will immediately become first 20 joint ventures are reported to stock exchange, to disentangle companies that refuse to go public, including restrictions on kind of strung protest which has been needed in the past to protect their interests. They remain to release their shares. More than the interest of the latting that the interest of the interest of the latting that the interest of the latting that the interest of the interest of the latting that the interest of the interes

Although the Ministry of Finance appears to be taking a dogmatic attitude on the issue, companies have yet to deliver the kind of strong protest which has been needed in the past to protect their interests. They remain uncertain over whether or not

have been considered. Foreign investment increased repay their enormous bank debts. of foreign companies and lems which arise when a country sharply in South Korea last year,
The plan is the basis of a move to strongly discourages stakes which has operated essentially a to a little over \$150 from \$353m arrongly discourages stakes which has operated essentially a to a little over \$1.00 from \$8.53m centrally planned system starts the previous year. Officials are concerned, however, about for pattern of free enterprise and a cign inflows and have recently reprivate sector. While the for lever, Hoechst, Ericsson and a number of foreign banks. US and European businessmen are pres-

Delay to TSE trading for foreign brokers

FEWER THAN half the 16 foreign securities companies which won seats on the Tokyo Stock start late than start early when exchange, after a fierce commercial and political battle last year, will start trading on the admission date of May 23.

Saven companies plan to begin to the companies of the

Seven companies plan to begin operating on the stock exchange floor from T-day. Most of the rest intend to start by early July, but one company will not be ready

until the autumn.

Difficulties in setting up offices on the exchange. in the space of a few months, compounded in some cases by problems in hiring staff, are the sons behind the delays.

Brokers say that starting a few weeks after the admission date

contrasts sharply with the tense tial Bache, the US securities commood last year, when these 16 pany, Sogen Securities, a subsiduere chosen from among more lary of Societé Générale of mood last year, when these 16 were chosen from among more

Kleinwort Benson, the merchant exchange are usually welcomed bank. Alongside them will be with a flood of congratulatory

These companies will have at ish companies - County Natwest These companies will have at current parliamentary session.

Securities, a subsidiary of least one advantage in starting Non-securities instruments National Westminster Bank, and late. New brokers on the Tokyo such as currencies and interest

tax on new financial futures. Transactions of government bond and stock futures are curwere chosen from among more iary of Societé Generale or than 20 foreign securities companies planning to the companies planning to May 23 include two Brit-Switzerland.

Societé Generale or bonn, and two Swiss companies rently taxed and new financial futures will be basically taxed, too, the ministry said. Bills designed to allow broking by the companies planning to switzerland.

Switzerland.

financial futures exchange expec even though every company four US companies and one orders. The May 23 contingent ted to be set up in 1989.

Rise in tourism brings El Al record profits

BY ANDREW WHITLEY IN JERUSALEM

line, has reported record profits of \$18.2m for the nine months to December 1987. In line with other Israeli companies, the airline has changed its financial year to coincide with the calendar year.

Boosted by a sharp increase in This is a precondition for its months.

However, the reflecting in the recent was the ingrandance of the reflection of the rest having a damaging impact in rest having a damaging impact on tourism to Israeli is certain to second year in succession that El on tourism to Israeli is certain to atlantic routes. For the past six reverse last year's gains during hopes that the receivership in 1988. Travel from the US, El Al's prohibited by government order coincide with the calendar year.

Boosted by a sharp increase in the industry. It was the unrest having a damaging impact on tourism to Israeli is certain to Atlantic routes. For the past six reverse last year's gains during years, the Israeli carrier has been prohibited by government order particularly badly hit in recent bath or other holy days, making months. Boosted by a sharp increase in tourism to Israel last year, El Al's revenues grew from \$567m, for the 12-month period to March Harley, president, attributed the business this year. 1987, to \$521m over the following nine months - an annualised

EL AL, the Israeli national air- 77.9 per cent was one of the high-

This is a precondition for its planned privatisation. Apart from the tourism increase, Mr Rafael improved figures to better employee productivity and reduced operating expenses, par-The passenger load factor of ticularly lower fuel costs.

months. At a press conference on it what a spokesman once sourly Wednesday, El Al management dubbed "the world's only five would not quantify the decline in and-a-half-day airline."

However, the Palestinian the use of smaller Boeing 767s

This self-inflicted drawback is Contingency economy measures under consideration are said to include a reduction in the number of flights to Europe and senger draw on flights to Israel.

Canadian National Railway Company

has sold its hotel division

CN Hotels

Canadian Pacific Hotels Corporation

a wholly-owned subsidiary of

Canadian Pacific Limited

The undersigned acted as financial advisors to Canadian National Railway Company.

Lancaster Financial Inc.

Lazard Frères & Co.

Lazard Brothers & Co., Limited

Lazard Frères et Cie

May 10, 1988

BIS says markets withstood 1987 well

By Stephen Fidler, Euromarkets Corresp

INTERNATIONAL financial markets appear to have with-stood the trials of 1987 reason-ably well, the Bank for Inter-national Settlements concludes in a report published today. The conclusion is contained in the Basle-based institution's quarterly report on interna-tional banking and financial market developments. "The international financial

markets appear to have withstood the very rough weather quite well. There were sharp declines of activity in individnal market sectors, but these were more 'temporary retreats' than 'actual defeats,' and when conditions stabilised in the first quarter of 1988 these mar-ket sectors staged a rapid com-eback," the report said.

The BIS, owned by central banks of the main industrialised countries, did, however, highlight some weaknesses for example the markets greater susceptibility to interest rate, exchange rate and regulatory shocks. They also, it said, indicated their main virtue: flexibility.

Noting that a cut in dealing capacity had taken place in the Eurobond market without major accident, the report said that banks scaled down their involvement as intermediaries borrowers, and investors in the international bond market. "But at the same time they of the international banking sector in the intermediation of international financial flows,

Total cross-border claims of the reporting banks to the BIS, covering most of the main international banking centres, grew by a record \$568bn in 1987 to \$4,157.2bn, although the pace slowed in the fourth quarter. It owed much to a build-up of interbank balances, particularly to brisk develop ment of business between Asian financial centres.

Deposits by countries of the Organisation of Petroleum Exporting Countries in reporting banks surged by \$8.4bn in the fourth quarter, the largest quarterly increase since the third quarter of 1980. The bulk Saudi Arabia (\$4bn) and the United Arab Emirates (\$1.9bn). Total Opec deposits grew by \$18.9bn in the year to \$169.7bn, after falling by \$22bn in 1986.

Banesto makes placement outside Spain

By Our Euromarkets

THE LARGEST placement of Spanish equity made outside Spain since the October stock market crash has been com-pleted, Warburg Securities

pleted, wathing occurrences and yesterday.
Warburg and Assocres Bursatiles, one of the leading Spanish brokers, placed 2.8 per cent of the equity of Banco Espanol de Credito with institutional investors entirely outside Spain, mainly in Europe, including the UK, and the US. banking group in Spain, judged by the size of balance sheets.

Two million shares, valued at just over \$100m, were placed at a net price of Ptass 625, Warburg said. The shares were part of the bank's issued share capital which it had been holding in its trea-

Vale to make **\$300m** issue of debentures

By John Barham in Sao Paulo COMPANHIA VALE do Rio Doce, Brazil's biggest mining company which is excluded from international capital markets until the country reaches a foreign debt settle-ment, is to launch \$300m in debentures next month.

Mr Wilson Brummer, the company's financial director, said the debentures will be

said the debentures will be used to redistribute Vale's debt burden and increase its capacity to borrow.

The paper, available on the local market only, will pay real interest of 6 per cent a year. As an added incentive, the company is also offering to distribute 2 per cent of the its profit to debenture holders. Interest and profit clanses will Interest and profit clauses will be renegotiated during the paper's 15-year life.
Badly matched foreign loans

were one of the main causes of the company's \$344.4m net loss in 1987. Vale's export income is dollar-denominated, but two-thirds of its \$1.5bn foreign debt is in D-Marks, Swiss The company's local cur-rency loans also increased in dollar terms because 1987

inflation advanced more rapidly than the cruzado's rate of

Australian dollar sector sees sharp mark-downs

WITH EUROPEAN investors appears to have moved to tighten away for Ascension Day and the US Treasury auctions subduing same time has continued subdular bond business, the spotlight fell yesterday on the Australian dollar sector of the Eurobond in ascent of the Australian dollar sector of the Eurobond

Australian dollar Eurobond prices slumped in panic-stricken, largely professional, early trade with several of the more recent issues quoted at discounts of four or five points. Some bargain hunting aided a partial recovery although most bonds finished with net losses of around

one to two points. Elsewhere in the market, most Elsewhere in the market, most sectors appeared to have shrugged off Wednesday's rise in US prime rates which many dealers said had been largely discounted. Prices showed little clear direction, within their recent narrow ranges.

In the absence of Continental retail accounts, who provide the day-to-day business for the Australian dollar sector, many trad-

tralian dollar sector, many trad-ers marked prices down yesterday morning in response to a fail of over a point in the Australian government bond market.

The domestic market has slipped by % to % point every day so far this week and the rise in US prime rates prompted a sustained sell-off, led by a distinctly softer tone in the futures market. The yield on 10-year government paper edged up, from 12 per cent at the opening to close at 12.14 per cent.
These falls exacerbated market

uncertainty over the current and 3% respectively. so inst assigned uncertainty over the current monetary policy of the Reserve Wolume was high although this The Halibay's seni Bank of Australia. The RBA was said to be largely inter-pro-

By mid-morning, prices of sev-eral more recent Eurobond issues had been marked down drasti-

INTERNATIONAL **BONDS**

cally. The A2200m deal for the State Bank of New South Wales was reportedly bid at a discount of 5 points while the State Electricity Commission of Victoria was said to be trading at a discount of 4 points.

At these levels, several institutions apparently came into the market to pick up some bargains and most issues staged a limited recovery to end the day % to 1 point below the previous day's

However, many of the new issues which emerged together last week did not fare quite so well and were still way outside their fees by the close of trade. Dealers said some of the latest bunch of deals had not been successfully placed and that a few of them were considered tightly priced at launch onto an already bursting market. Last week's ANZ and Westpac deals were quoted bid at discounts of 3%

fessional, although early reports of market makers refusing to quote prices and not answering telephones appeared to have been

exagrerated Sector specialists were surprised at yesterday's volatility and at the extent of the price mark-downs. Both the Australian domestic markets and the Eurobonds have enjoyed remarkably strong rallies since the start of the year. A strong Australian dollar, supported by buoyant com-modity prices, has driven yields

down to their lowest levels this Elsewhere in the market, volumes remained low with investors still nervously on the side-lines. Remarks by US Federal Reserve Board Governor Wayne Angell that the Fed planned no drastic policy moves failed to impress the US dollar bond markets. Prices were narrowly mixed ahead of the final leg of the Trea-

ahead of the final leg of the Trea-sury refunding auctions.
Only one new Eurobond issue emerged. The Halifax Building Society issued a £200m 10-year floating rate subordinated note issue, the largest such issue by any building society. Credit Suisse First Boston was the sole lead menager of the issue which lead manager of the issue which was largely pre-sold. No further details of the pricing were avail-

Mr Gren Folwell, general manager finance, said the issue had been assigned an AA3 credit rating by Moody's Investors Service, the first assigned to a building and 3% respectively.

Society for subordinated debt.

Volume was high although this

The Halifar's senior debt is rated

Shanghai Volkswagen in domestic issue

SHANGHAI VOLKSWAGEN, the interest rate of 10.5 per cent, produced by the plant. Chinese car venture 50 per cent exempt from tax. The remaining It will use the fund owned by Volkswagen of West 10m yuan will be sold to compa-Germany, is to raise 29.5m ynam nies, at an annual rate of 5.4 per and 6 through a domestic bond issue, cent, with interest and principal planne the first such issue by a Sino-for- for both sets of holders to be paid 10,000.

eign joint venture, Reuter at the end of the three years. reports from Shanghai.

The company said 19.5m yuan buyers of 200,000 yuan worth of per cent in the 25,000 cars it has of the three-year bonds will be bonds will receive priority in pursold to individuals at an annual chasing Santanas, the main car in September 1985.

It will use the funds to raise annual capacity to between 30,000 and 60,000 cars from 1988's planned 15,000 and 1987's actual

The company aims to raise the local content rate to between 25 The company said corporate and 30 per cent in 1988 from 14.3

FT INTERNATIONAL BOND SERVICE

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the correspondence of the shares.

INT'L COMPANIES AND FINANCE

Mary Helen Spooner on the latest sale by Santiago's state development corporation

Chile privatisation steams ahead

poration (Corfo) has passed a sig-nificant milestone in its privati-sation programme with the sale of an 18.4 per cent stake in Industria Azucarera Nacional (Iansa),

10J

The buyer is Chicago Continental Bank, a subsidiary of Continental Illinois, which paid a peso equivalent of \$9.5m. The sale fulfils Corfo's goal of selling 75 per cent of lansa to private buyers. lansa is one of 26 Chilean state

enterprises undergoing partial or complete privatisation since 1985, when the corporation began the third phase of the Pinochet regime's privatisation pro-

The first phase, which began 10 years earlier, had consisted of selling companies which had been nationalised by the previous Government of socialist President Salvador Allende.

A second phase involved the sale of private companies whose high level of indebtedness had prompted authorities to take administrative control and thus prevent their collapse. To date, the third phase of the

privatisation process has resulted in \$600m in revenues for Corfo,

CODELCO, Chile's state copper 1,090.5 tonnes, while the output company, reported net profits of of molybdenum, which Codelco 267m pesos (\$1.08m) last year, more than double the 127.6m pesos registered in 1986.

Copper exports rose to 1.92bn pesos, up from 1.46bn pesos, reflecting the increased average annual price of 74.8 cents per pound against 58.2 cents in 1986.
Copper production, however, fell slightly from 1,102 tonnes to

hydroelectric company, three regional electricity companies, the Chilean state insurance company and Lan-Chile, the stateowned airline. The Government recently approved a plan to increase the amount of the airline's stock for sale from 33 to 60

Corfo says it plans to sell a denificant portion of Lan shares to a single investor. Smaller share packages will be sold on the stock exchange to the airline's workers and to Chile's private pension companies, which last year were authorised to invest in state company shares. privatisation process has resulted Corfo is studying the possibiling \$600m in revenues for Corfo, ity of restricting at least part of which this year hopes to sell the share sales of the regional power companies to local buyers in the area.

The corporation is also seeking

year to sell its remaining hold-ings in Compania de Telefonos de Chile (CTC), the state telephone company, in a state-owned coal company and to reach a goal of

49 per cent privatisation in Endesa, the state power com-Investment banks, both foreign

cama desert of northern Chile.

from 45 to 20 per cent in the company, which in 1986 exported

\$18m worth of lithium carbonate,

about one 25% of the world's pro-

In addition, Corfo plans this

of molybdenum, which Codelco

pesos last year.

debt conversion programme to trade-discounted foreign debt notes for pesos at full face value

produces as a copper byproduct, increased from 16,581 tonnes to Chicago Continental said in 16,940 tonnes.

Molybdenum exports declined Santiago that it planned to finance its purchase of lansa from 125m pesos in 1986 to 120.1m under this programme.

According to the company's Mr Manuel Macaya, deputy annual report, Codelco invested 323.3m pesos last year in new equipment and installation. director of Corfo's privatisation programme, said his department had received inquiries from other Latin American countries inter ested in Chile's experience with to cut its participation in Socie-dad Chilena del Litio, a lithium the sale of state companies including some governments, like mining joint venture with Foote Minerals of the US in the Ata-Peru's, which seek a greater, rather than a lesser role in their respective economies. Corfo wants to reduce its share

However, within Chile, the privatisation programme continue to receive brickbats from group who question the wisdom of selling off profitable enterprises and in some cases even threaten to date when a civilian democratic government takes over.

Corfo officials hope to avoid such a scenario by selling the state company shares to as many different buyers as possible, reasoning that large numbers of small investors would mount a and Chilean, are among the big-gest buyers of state company shares and in many cases are corporate shareholders.



Keep the world in focus.

For many executives that could be a daunting task were it not for the Financial Times. The FT has breadth and depth of vision, an eye for events that are often in shadow and the ability to provide sharply detailed analyses. In short-it keeps track of a global economy that's in constant motion.

FINANCIAL TIMES

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SKANDIA INTERNATIONAL HOLDING AB

Annual General Meeting

The shareholders of Skandia International Holding AB are hereby called to the Annual General Meeting to be held on Wednesday, 2 June, 1988 at 5 p.m. at Konserthuset, Hötorget, Stockholm, Sweden.

Agenda

- 1. Matters prescribed by the Swedish Companies Act 1975, and by the Company's Articles of Association.
- 2. The Board of Directors of Skandia International Holding AB has decided to propose to the Annual General Meeting that the Company issue convertible debentures to the employees of the Skandia International Group. Employees outside Sweden will be given the opportunity to subscribe, where it is legal and practicable.

The debenture loan will amount to a maximum of MSEK 120. The loan will have a term of approximately five years. Upon full subscription and conversion the number of shares will increase by approximately 650,000 to about 32,650,000. The increase corresponds to approximately two percent of the total number of shares.

Attendance at the meeting

Shareholders wishing to attend the meeting must

- be registered in the share register maintained by Vardepapperscentralen VPC AB not later than Monday, 20 May, 1988, and
- notify Skandia International, Corporate Law, Box 7693, S-10395 Stockholm, of their intention to attend not later than Monday, 30 May, 1988, by 4 p.m. Notification should preferably be in writing, but may also be given by telephone INT +46(8)7884558, and should specify name, address, telephone number and civic registration number where applicable, as well as the registered shareholding.

Shareholders whose shares are registered in the name of a nominee, must temporarily have their shares registered in their own names to have the right to attend the Meeting. Such re-registration must be effective not later than Monday, 20 May, 1988. Request for re-registration should be submitted to the nominee several banking days in advance.

Dividends

The Board of Directors has proposed a dividend amounting to SEK 2.50 per share to be distributed to the shareholders. The Board has recommended that the record day for entitlement to a dividend shall be Tuesday, 7 June, 1988. If the Annual General Meeting passes a resolution in accordance with the proposal, the dividend will be paid by Värdepapperscentralen VPC AB on Tuesday, 14 June, 1988 to those shareholders who were registered in the share register on the record day.

> Stockholm, May 1988 The Board of Directors



A DEDICATION TO DELIVER.

What is a bank? The question seems obvious but the answer proves more complex. W After you have described what a bank does, you have still to explain what a bank is. We Below all the high technology essential to its functions, what is the strength of its foundations? "TWhat is the spirit that motivates its actions? What is the philosophy that guides its attitude not only to its customers but to its own people too? What is the source of its confidence in the face of any task? The Yapi-Kredi, we have no doubt W Like the stork, our symbol for all the 44 years of our establishment and now stylised into our corporate design, we are dedicated to deliver. That is our philosophy. TA devotion to fulfilling the trust placed in us - anywhere in our international network or the 584 branches throughout Turkey itself. It is this dedication that has made us one of today's strongestbased, international banks. TWhat service can we deliver to you?



YAPI KRED	I FINANCIAI	, HIGHLIGH	TS TL (BILLI	ON)				_
	TOTAL ASSETS	TOTAL DEPOSITS	TOTAL LOANS	TOTAL REVENUES	SHAREHOLDERS'	NET PROPIT	MARKETABLE SECURITIES TURNUATER	INTERNATIONA TRANS-ICTRIN TURNATER US (hilbor)
1986	1,955.3	1,558.5	723,3	415.5	59.4	30.6	349.0	2,5
1987	3,043.0	2,334.1	1,018.8	572.5	137.6	61.0	606.0*	3.5**
INCREASE %	55.6	49.8	40.9	37.8	131.6	99.4	73.6	40.0

Royal below City expectations

THE DOWNTURN now under way in the vast US property/casualty insurance industry became in the quarter ending March 31 to continental European insurers cover costs of reorganising its UK aiming to penetrate the UK.

The stock market's chief cause clearly visible yesterday in fig-ures from Royal Insurance, the biggest UK-based non-life insurer, as it reported quarterly pre-tax profits up only 15 per cent at

Falling £10m short of the most pessimistic City expectations, the results prompted a slide in Royal's shares, which closed down 22p at 400p. Earnings per share grew 6 per cent to 7p.

Analysts quickly noticed that the shortfall was largely due to one-off problems including £7m of arson claims in New Zealand, a late inflow of £10m of claims from last October's western European hurricane, and a \$30m (£16m) addition to its US loss

non-life operations and setting up The Insurance Service, its Bristol-based company selling motor insurance over the telephone. Mr Alan Horsford, chief execu-

tive, refused to comment on last

week's Parisian newspaper reports that Royal is in merger or joint venture talks with Group Victoire, which owns Abeille-Paix, a major French insurer. Mr Horsford said that in the run-up to the European Community's planned creation of a uni-fied insurance market "every insurance company is talking to every other insurance company about a variety of things in the light of 1992."

But he warned that British insurers could face threats as well as opportunities in a single Royal also took a 25m charge post-1992 market, especially from

The stock market's chief cause for concern was not in the bottom line figures but in signs of the tough trading environment Royal now faces in the US, accounting for about 40 per cent of its non-life business, where the last 12 months have witnessed a return of price-cutting by insurers for commercial property and liability risks.

Royal's written premiums Royal's written premiums there grew only 1.5 per cent in local currency terms to \$534.1m, below the rate of inflation in claims costs at a time when it said automobile liability and workers' compensation losses were still "very unsatisfactory." "We clearly face a very demanding situation in America," said Mr Horsford.

Royal is taking action to curb expenses in the US with a mandated 5 per cent cost reduction this year. Royal also maintains that its marginal increase in the use with a mandated 5 per cent cost reduction this year. Royal also maintains with a title working increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent cost reduction that its marginal increase in the US with a mandated 5 per cent

He insisted however that Royal expected the downturn to be far less severe than the savage losses suffered by US insurers in the mid-1980s. Mr Horsford said he foresaw commercial lines rates starting to move up again in the US in 1990, because insurers would be under pressure from what he called "a double whammy" of rising claims combined with a big extra tax bill resulting from the 1986 US Tax

Royal is taking action to curb expenses in the US with a man-dated 5 per cent cost reduction

Mild winter boosts first quarter at GA

based composite insurer, nearly quadrupled pre-tax profits in the first quarter, as it reaped the ben-efit of a mild winter in the UK. At the pre-tax level, group profits grew from £17m last year to £58.7m in the three months ending March 31, against a back-ground of a 13 per cent rise in total non-life premiums to

After an increased tax charge, attributable profits were £43.5m (£5.1m), while earnings per share were up 178 per cent at 22.8p.
The results prompted a 5p rise

asset value per share of 962p, a figure which does not include the value of the group's life assur-

The figures heavily under-scored the current health of the hig composite insurers' property business in the UK, plus the return to significant profitability since 1986 in the private motor market, the source of some of their biggest problems since the early 1980s. In the UK. GA more than

but that still left them trading at losses to £2.5m, inspite of what it the group saw its £3.4m 1987 a significant discount to the net said was "a marginal increase in first-quarter profit turn into a

in line with similar results from Commercial Union earlier this week, GA also showed an underwriting profit of £1m on its UK householders' business, at a time when major insurers are confidently expecting to obtain an 11 per cent household structure premium rate increase this

The main trouble spot for GA premiums - from was in Canada, where amid signs to 108.6 per cent.

in GA's shares to close at 915p, halved its motor underwriting of a downturn in industry results

In the US, the group's secon biggest territory, where its Phila-delphia-based operations are heavily committed to the motor market, premiums grew 15 per cent to \$371.2m (£198m). GA managed a three percentage point improvement in its operating ratio — which measures claims and expenses as a percen

Nominees reveal near-7% holding in Lyon & Lyon

Pearl shares advance as

FAI lifts stake above 7%

MR LARRY Adler, the Australian corporate raider, has lifted to 7.1 in January 1988, then lifted it to per cent the stake in Pearl Assur-ance which he began building Mr Nigel Proddow, Pearl's chief last December.

The news helped spur a 9p rise in the UK group's share price to 474p, but came as little surprise to market-makers in insurance stocks who had last week suspected Mr Adler was buying get - though Mr Adler is not Pearl shares heavily again after a three month interval.

FAI Securities, a subsidiary of assets and liabilities has left it FAI Insurance, the Australian group led by Mr Adler. The stake is actually held by

FAI first disclosed a 5.43 stake general manager, said he believed that in his latest buying Mr Adler is "just adding to his

investment. However, Pearl has long been viewed as a possible takeover tarregarded as a likely bidder him-self – largely because its history of conservative valuation of its

PAXSTED Investments, a nomi- over of £17m. It already has nee company owned by Manchester stockbroker Ashworth Sons & ment groups holding stakes of ter stockbroker Ashworth Sons & Barratt, has bought a 6.56 per cent stake in Lyon & Lyon, West Yorkshire Ford dealer.

Lyon & Lyon shares added 2p yesterday to close at 222p, an all-time high, giving the company a market value of £7.1m.

The Batley-based group said it had sent a Section 212 notice to his sent

discover the beneficial ownership of the holding, as it does for all new stakes of 1 per cent or more. In 1987, Lyon & Lyon achieved in 1987, Lyon & Lyon achieved dincer, were suspended yesterday pre-tax profits of £479,582 on turnation at 130p at the company's reques

per cent or more.
The largest single block, 11.2

per cent, is owned by Allied Partnership Group, the building services and plant hire company.

APG on Wednesday disclosed a

Seafield suspended Share dealings in Seafield, the textile and PVC-coated fabric pro-

Woolworth may buy up to 10% of equity

By Maggie Urry

Woolworth, the retail group which includes B & Q. Super-drug, and Comet as well as the Woolworth chain, is asking shereholders for authority to buy up to 10 per cent of the company's shares in the mar-ket. A resolution will be put to shareholders at the annual meeting on June 8.

The group said it was not the directors' intention to take any immediate action. However, if the right combination of share price, corporate cash-flow and earnings growth pre-vailed it would want the abil-ity to buy shares so as to enhance earnings per share.

In the accounts, published yesterday, a sum of £273,000 is described as payments in respect of loss of office. During group, Mr Malcolm Parkinson, who had been in charge of the Woolworth chain, and his dep-uty Mr Derek Pretty.

The accounts also show that the highest paid director – Mr Geoffrey Mulcahy, group chief executive – received remuneration totalling £460,000 last year, a 59 per cent advance on the previous year. The remuneration is in part related to earnings, which last year rose by 43.6 per cent on a fully diluted, per share basis.

In a discussion of the future for Woolworth in the report, Mr Mulcahy calls for the legal isation of Sunday trading. "I think that Sunday trading must come, because shopping is as much a leisure activity as going to the seaside and the public is losing patience with the current situation," he says.

New adviser at Racal

Hill Samuel lost another client yesterday, when Racal Electronics announced that it had removed the merchant bank as its financial adviser and replaced it with Goldman Sachs International and NM Rothschild. Racal would not comment on why it had chosen to change its merchant bank, except to say: "We looked at the ability of those who wanted to be contenders and Hill Samuel did not win."

BP first quarter replacement cost profit up 26% to £408m

12 months to an average of £8.70 in the first quater of the year.

Oil prices in the first quarter averaged \$15.70 per barrel compared with \$18.10 in the last three months of 1987, and \$17.80 the first quarter of 1987.

However, as a result of the fall in the value of the dollar, the decline of oil prices in sterling terms was 25 per cent during the 12 months to an average of \$8.70 refining and marketing parts of the business. Upstream profits fall 12 per cent to \$407m, compared with the figure for the same period in 1987. Downstream profits were depressed by 21 per cent at \$140m, mainly as a result of the low margins in the refining and marketing parts of the business. Upstream profits same period in 1987. Downstream profits are period in 1987. Downstream profits followed by 21 per cent to \$407m, compared with the figure for the same period in 1987. Downstream profits are period in 1987. Downstream profits were depressed by 21 per cent to \$407m, compared with the figure for the same period in 1987. Downstream profits were depressed by 21 per cent to \$407m, compared with the figure for the same period in 1987. Downstream profits were depressed by 21 per cent to \$407m, compared with the figure for the same period in 1987. Downstream profits were depressed by 21 per cent at \$140m, mainly as a result of the low margins in the refining and marketing parts of the business. Upstream profits were depressed by 21 per cent to \$407m, compared with the figure for the same period in 1987. Downstream profits were depressed by 21 per cent to \$407m, compared with the figure for the same period in 1987. Downstream profits were depressed by 21 per cent to \$407m, compared with the figure for the same period in 1987. Downstream profits were depressed by 21 per cent to \$407m, compared with the figure for the same period in 1987. Downstream profits were depressed by 21 per cent to \$407m, compared with the figure for the same period in 1987.

The star performance was by This depressed the contribu-tion of the US part of the busi-ness to group profits, although 551m in the first three months of BP says that in dollar terms the US results were better than operations recorded an even

British Petroleum vesterday reported a 26 per cent rise in after tax profit on a replacement cost basis for the first quarter of 1988 to £488m, compared with £334m in the same period of 1987.

On a historical cost basis, however, after—tax profits fell by 43 per cent to £263m, reflecting stockholding losses which resulted from the fall in oil prices.

Oil prices in the first quarter of the production and production and production and the refining and marketing parts of the business. Upstream profits to main cost has been met by rungaling profits for the same period, mainly reflecting the period, mai main cost has been met by run-ning down the group's cash bal-ances and by utilizing Britoil's cash to raise some £300m, by long term debt issues of about £400m, and by disposals of about £330m in the period.

For the year as a whole, BP is-hoping to reduce its debt to debt plus equity ratio somewhat below 35 per cent by using internally generated cash and further disposals which might total fibn or more for the whole year.

Staley continues

Rodime reveals increased second-quarter deficit

BY ANDREW HILL

EXPANSION OF its Singapore plant contributed to second quar- investing in new product design ter losses at Rodime, manufac-turer of Winchester computer formance," he said, adding that disk drives.

The company incurred losses of \$3.71m (£1.98m) before tax in the three months to March 31,

The company - model in Long. compared with a \$296,000 loss in the equivalent period.

Sales of the company's older products declined during the three-month period and turnover propped from \$34.5m to \$25.4m. The losses were aggravated by operational inefficiencies, accord-

ng to Rodime. First quarter pretax profits of \$509,000 were more than cancelled out and losses before tax for the half-year to March 31 increased to \$3.2m (\$2.87m) on reduced turnover of

\$48.8m (\$57.1m).

Rodime has recently introduced three new product ranges, mainly for installation in large manufacturers' own computer

Mr Len Brownlow, chairman, said new products and those sold directly to computer-users accounted for 84 per cent of turnceding quarter.

to talk with Tate & Lyle By Clay Harris . "To keen shead, we gamble by Tate & Lyle and Staley Contineu-

tal were still engaged in negotia-tions yesterday in New York over the UK sugar refiner's \$1.42bn (2753m) takeover offer for the US com syrup group. The company - quoted in London and on NASDAQ, the US Tate's \$35 a share tender offer was due to expire at midnight last night. Late on Wednesday, over the counter market ~ has

over the counter haract. — has factories in Florida, Scotland and Singapore. In the first quarter Singapore accounted for about 20 per cent of production, although for the second consecutive day, Tate extended the offer for another 24 hours. Staley shares were trading at \$37 yesterday Rodime says this figure is rising. The loss per share for the quarter increased to 47.1 US cents (2 cents), and for the half-year loss rose from 22 US cents to 40.6

Withdrawal of previously ter dered shares, meanwhile, reduced valid acceptances of Tate's offer for ordinary shares to Rodime shares closed it owned nearly 5 per cent before unchanged at 175p last night.

Suter raises Amari stake to 28.7% BY PHILIP COGGAN

Suter, the acquisitive industrial conglomerate, has acquired a further 450,000 shares in Amari, a over in the quarter compared metals and plastics group. The with 15 per cent in the equivalent purchase increases Suter's stake period and 60 per cent in the preper cent of the equity.

Suter also has stakes of 25.1 per cent in containers group Metal Closures and a 27.98 per cent stake in engineering group Newman Industries.

Amari's shares rose Sp to 174p.

Sunday was a little quieter.

Thursday First day of dealings in Clinton Cards Shares trading at a 23p premium to the flotation price.

Friday fel May

- 1. Advised George Armitage in 115 £69 million recommended offer by Marshalls Halifax
- 2. Documents published for SPP's & 31 Million Alconomended offer by Brailtwaite Group.

7th May

Sosturday Underwoote £74 Million package of debt and equity to finance the management buy-in, led by Midland Montage Ventures, of Lewis's department stones from Sears.

Surday 8th May

Slept in!

Monday 9th May

Announcement of Clay form Properties' £89 million bid for Stead + Simpson, Providing a £70 Million 5 year loan facility.

Wednesday Closing of Systems Designers' successful + 72 Million underwritten rights issue for its acquisition of Scicon Group.

Thursday Rights offer opens for Concorde Energy's £138 million acquisition 12th May of Kelt Energy.

Over the last week our corporate finance and specialised financing teams underwrote substantial amounts of equity and debt for our clients who we advised on a flotation, rights issues, acquisitions, public bids and a management buy-in. We are confident that in partnership with our clients a rewarding week will lead to even greater success in the future.

Samuel Montagu & Co. Limited

PART OF MIDLAND MONTAGU, THE INVESTMENT BANKING & SECURITIES ARM OF MIDLAND GROUP 10 LOWER THAMES STREET, LONDON EC3R 6AE. TELEPHONE 01-260 9000 SAMUEL MONTAGU & CO. LIMITED. A MEMBER OF THE SELURITIES ASSOCIATION.



Royal Insurance

FIRST QUARTER RESULTS

- Pre-tax profits were up by 15% to £55.0m.
- General Insurance profit increased from £9.7m to £18.9m.
- A total earnings contribution of £10.1m from Royal Life Holdings.
- Earnings per share up from 6.6p to 7.0p.
- As far as the rest of the year is concerned we believe we can outperform the market in Canada and the USA. Elsewhere the outlook and trading environment is generally satisfactory, especially in the UK.



Royal Insurance

A full statement for the first quarter results of 1988 (of which the above is an extract) will be mailed to all shareholders, and is also available from Corporate Relations, Royal Insurance plc, 1 Cornhill, London EC3V 3QR Please send me a copy of Royal Insurance's first quarter statement.

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Guinness faces claim from former chairman

Guinness is facing a potential Roux, former Guinness finance Mr Saunders any part of the money was paid back by Mr might stand to gain, assuming that the claim by Mr Ernest Saunders, its director.

Mr Saunders informed Guinness Mr Ward was unable to the action was successful."

Roux, former Guinness finance Mr Saunders any part of the money was paid back by Mr might stand to gain, assuming was unable to the director.

Mr Saunders any part of the money was paid back by Mr might stand to gain, assuming was unable to the claim against Mr Saunders. He Sir Norman MacFarlane, Guinness would have no the action was successful."

ness's annual meeting by Mr Jef-frey Littman, a barrister who said he was retained by Mr Saun-

Mr Littman challenged the time as to the size of his claim.
Ghinness board over why it had In January, the High Court not informed shareholders of Mr refused to suspend the action Saunders' possible claim of against Mr Saunders by Guinness Saunders over the 55.2m paid to wrongful dismissal. He also questioned Guinness as to the cost of made to Mr Thomas Ward, a for Court of Appeal ruled that Mr if pursuing its own action against mer director of Guinness during Mr Saunders and asked why the drinks group was not taking similar action against Mr Olivier would allow it to claim back from

against the costs involved in answering questions from the Department of Trade and Industry. No estimate was given at the time as to the size of his claim. In January, the High Court

the criminal charges against him. These criminal proceedings are not expected to start before next

Mr Littman said that share-holders had a right to know why Guinness was still pursuing Mr Saunders over the £5.2m paid to Mr Ward. Earlier this week, the Ward improperly received the 25.2m and that Guinness was entitled to get its money back.

undertakings for 33.8 per cent of EPIC. It is likely to make an anouncement regarding its condi-

tional acceptances today.

Peachey owns 33.2 per cent of

EPIC outright

Mr Norman Turner of Landau & Landau, solicitors representing Mr Saunders, said after yesterday's meeting: "Even if there is

to pursue actions against Mr

former chairman, of between £2m and £3m for his alleged wrongful mess last July that he would be making a claim for loss of earnThe size of the potential claim as pension rights and the indem
Mr Saunders unbruned of the High Court agreed to questioned why the Guinness ness chairman, sain, in response to Mr Saunders application that his board was still pursuing its to Mr Littman's request for counter claim against Guinness action against Mr Saunders when as pension rights and the indem
for wrongful dismissal should be it appeared that Mr Ward was not consider this meeting is an appropriate forum to discuss little. Sir Norman MacFarlane, Guin-

gation which is not material to the accounts." He said Guinness had not isolated the cost of the litigation against Mr Saunders an outstanding claim against Mr but it was not substantial. Refer Saunders he has not got any ring to Mr Roux, Sir Norman money anyhow." "Guinness appears to have forum to discuss the group's liti-given instructions to its lawyers gation strategy."

Sir Norman had earlier told Saunders but does not appear to shareholders that his board have given consideration to the would only answer questions economics of the cost of such liti-related to the report and

Caird to acquire cleaner

largest acquisition yet in the quoted waste disposal contractor.

waste disposal sector with the Wistech was the subject of a innouncement of a recommended management buyout from conist cleaning and materials han- in 1983.

Caird is onering to the light Caird, which also has interests for every 100 in Wistech, which is in property development, has traded on the over-the-counter market. posal companies over the last few

osal companies over the last few On last night's Caird share price of 168p that values each it has also bought a 5.5 per Wistech share at 67.2p.

Caird Group yesterday made its cent stake in Leigh Interests, a

27.2m offer for Wistech, a special-struction group George Wimpey

ABF sells W German supermarket

THE WESTON family, which controls Associated British Foods, yesterday ended a twenty-three year interest in the West German supermarket business with the announcement that Deutscher Supermarket was being sold to a group of domestic investors.

Associated British Foods is

selling its 40 per cent stake in Deutscher at a profit of some £51m and Wittington Invest-ments of Canada, a holding

ments of Canada, a holding company for the Weston family interests in Canada, is shedding its 69 per cent stake. Mr Gary Weston, ABF's chairman, said the sale had represented a "unique" opportunity to dispose of a long-held trade investment, from which it had never received dividends as all profits were ploughed as all profits were ploughed

Deutscher is about the eighth biggest operator chain in the fragmented West Ger-man supermarket sector, which Mr Weston said he saw s mature and heavily-regulated. ABF had never partici-pated in the management of the company, which was its only supermarket interest outside the British Isles.

The stake is being sold on a multiple of more than twen-ty-five times earnings, Mr Wes-

Bond moves into UK property market in Imry joint venture

Bond Corporation, the Austra- diversified internationally into lian conglomerate headed by Mr other sectors its origins are in Alan Bond, yesterday effectively launched itself into the British property sector by taking a half share of Imry Merchant Develop- Merchant Developers. the ers' St George's Hospital develop-

It is paying £30m for the share, its biggest British property investment so far, to bring its UK construction.

property interests up to a value "For a com of £50m. At the same time it has set up with Imry a joint com-labours to date and then take a pany, Imry Bond, both to manage good strong financial partner", its existing assets and to pursue said Mr Martin Myers, the imry

joint ventures. The St George's Hospital projis planned to convert the historic the first should be announced in building into a luxury hotel and build adjacent a 150,000 square the first should be announced in the coming months.

Mr Bond and Mr Myers were

from scratch, it made sense to iorm a joint venture.

Imry expects the new joint venect, nursed for over two years by ture company to be "a tremenlimry, fits into the Bond criteria dous profit centre in coming of high quality property developments. Situated at Hyde Park ment of the Bond property assets, Corner in London's West End, it new projects will pursued and the first should be announced in

chief executive.

arrangement with Bond gives it recompense for the time and

money spent on bringing the St

George's Hospital to the point of

should be rewarded for our

"For a company of our size, we

feet office block. brought together by Mr David
"It is our intention to pursue Davies, who is chairman both of quite actively the property business in the UK and the vehicle is chant bank. The idea of a link the joint venture," said Mr Alan between the two was first mooted noted that Bond lacked experi-ence of the British property sec-market crash. When Bond tor and that rather than starting emerged unscathed and the UK property market remained buoy-ant, the idea was revived and the

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Consortium lifts EPIC offer

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Section 18 Page 18 Pag

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Programme and a second second

W. Carrier

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Giltvote, a consortium led by Mr Stephen Wingate, yesterday made a 240p per share offer. Increased its chances of winning control of Estates Property Investment Company by acquiring a 61 per cent stake in the company from UK Land.

The acquisition of the extra Land.

The acquisition of the extra stake means that Giltvote has been forced to increase its bid for EPIC to 275p per share, the price it paid for the 1.5m shares owned by UK Land Like its two previous property in the price of Wingate Property Investments, is backed by Eagle Star, Mercury Asset Management, Kleinwort ous offers - of 265p and 270p per share - Giltvote's new bid, which values EPIC at 267.3m, has been recommended by the EPIC

agreed not to conduct any further dealings in EPIC's shares whilst Giltvote's offer remains open. Following the purchase of the UK Land stake, Giltvote either owns, or has received irrevocable

The Gilivote consortium made gafe, a former managing director of Wingate Property Investments, is backed by Eagle Star, Mercury Asset Management, Kleinwort Investment Management, Cigna

been recommended by the EPIC board. The new offer expires on June 1.

UK Land further complicated the situation by building up its stake in EPIC in the midst of the June 1. Stake III EARL III LIE INDEED OF LEAST The battle for KPIC began in bid battle. But UK Land has now

Bio-Isolates makes loss provision of £497,350

Bio-Isolates, the struggling USM- this site will meet international quoted whey processing company, yesterday reported a including the extraordinary smaller pre-tax loss of £168,700 item, the total loss for the year for the year to end-December, against £482,700 a year earlier, but made an extraordinary loss provision of £497,350 because of Total sales of Bipro doubled to

in the company, which produces a protein isolate called Bipro from the cheese by-product whey, said the provision was for the termination of Mitchelstown Isolates. The provision represents the full value of its investment in the plant and the estimated cost of terminating the joint venture.

Bio-Isolates said the Mitchelstown management team had been "unable to achieve budgeted to be guarantee that Bipro produced at bad been almost completed."

attributable to Bio-Isolates was 2500,700, marginally less than the previous year (£513,500). The company said it remained caulitously optimistic that it could build on a good first quarter performance. It also hopes to exploit opportunities for its new product, Bipro-IG, an immunoglobulin concentrate used as a supplement for new-born calves. The restructuring programme undertaken in connection with its recent £650,000 rights issue guarantee that Bipro produced at bad been almost completed. joint venture plant.

guarantee that Bipro produced at had been almost completed.

unexpected problems at its Irish £1.3m in 1987, but the amount attributable to Bio-Isolates was

DIVIDENDS ANNOUNCED

	Current payment	payment	ponding div	Acar tor Torar	last year
Caradonfin	5.5	Aug 12		8.	
Concentricint	2.34	July 1	1.95	-	6.5
Rugilsh Chinaint	5.81	Sept 30	5	-	14.5
Hembros Trustfin	3.5		- 3.8	. 5.5	· 5
Lan. Atlanticfin	5.75	•	5.15	7.85	7.25
Padang Senangfin			. 1.1	1.35大	1.1
Perpetualint			- 0.8		2.5
Titd Scientific	2.71		2.4		6.6
Vanxbrt	5.41	July 1	4.7	•	14.2
West'n Selectionint	1.7	July 6	1.5		8.4
Yorklydefin	5.5	,	4.8	8.25	7.55

Dividends shown pence per share not except where otherwise stated. *Equivalent after allowing for scrip issue, tOn capital increased by rights and/or acquisition issues. SUSM stock. SiUnquoted stock. *Third market iCenties scrip option - minimum 10.5p final intended. For 15 months.



British Mohair **Holdings**

PRE-TAX PROFIT UP 24% PROMISING OUTLOOK

- * Record pre-tax profit, up from £3,907,000 to £4,831,000. Progress shown in all sectors of business.
- Pividend increased from 6.50p to 7.50p, covered 3.15 imes by earnings after tax.
- # Earnings per ordinary share up by 27% at 23.64p.

Reorganisation and building work continues and those changes coupled with an encouraging order position make the outlook for the Group promising".

C. M. Fenton, Chairman

Antish Mohair Spinner Geo. Ackroyd Jun

Fleece Milb

Worsted solnners Spinners of hend knitting yama chants of paper and

ers of parts for

Copies of the Annual Report and Accounts may be obtain The Secretary, British Mohair Holdings pic. P.O. Box 58, Midland Mills, Bradford BO1 4RL

Anyone can jump to a conclusion

We look before we leap

Barbara Marya da da da sa sa Maria

TINVESTORS are interested primarily in the answer to a single Lquestion: what happens next? That is why financial markets reflect today what is expected tomorrow, and why investment research is called upon to bridge the gap.

Our investment analysts, therefore, are faced with some major questions. Where is this market going? What are that company's prospects? How will investors assess them?

For the answers, we rely upon the powerful combination of knowledge and experience drawn from MARBURG our research teams, backed by our daily involvement in world markets.

Our understanding begins with the markets themselves. What are the economic and political trends? What are the

implications for currencies and interest rates? What returns do investors require?

Next, industry. What are the patterns of demand and supply worldwide? Where are the opportunities for growth?

Finally, individual companies. What are their strategies? What do we think of their management? How should they be valued?

Although our answers are specific, we derive them from

the widest possible background. We were, for example, the first group with membership of stock exchanges in London, New York and Tokyo. Our research in these markets is complemented by coverage of other key areas, notably Continental Europe.

Because we recognise that scale alone is not enough, we aim to ensure a coherence of approach and clear lines of communication. As a result, we can keep our clients informed

> of relevant developments around the world, both in particular industries and companies, and within the shifting climate of international opinion about markets, sectors, shares and financial instruments.

All this raw material, however, is just start. Interpretation is required to unlock its full value. We look to our analysts for flair, teamwork and attention to detail.

When your business relies on rapid, accurate information and interpretation, consider these fundamental questions. Who, in a world-wide market, can face the pressures with you day by day? Who can help you prepare the ground to meet your needs and take advantage of the markets' changing moods? Who, in short, will work beside you rather than merely for you?

Warburg. A world of research.

WARBURG SECURITIES

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London □ New York □ Tokyo Boston □ Geneva □ Hong Kong □ Melbourne □ Paris □ San Francisco □ Sydney □ Toronto

THE SOUTH AFRICAN BREWERIES LIMITED

ABRIDGED PRELIMINARY REPORT for the year ended 31 March 1988

SALIENT FEATURES

Turnover Growth of 23% and beer volumes, 13% Earnings per share Improvement of 30% Dividend

Final increased to 50 cents per share and total by 32% to 66 cents per share **Prospects**

Provided reasonably settled conditions prevail in the industrial relations and socio-political environments, further satisfactory real growth should take place in Group earnings.

FINAL DIVIDENDS

The Directors have declared the following final dividends on account of the year ended 31 March 1988 payable on or about 1 July 1988 to Shareholders registered on 27 May 1988:

Ordinary shares

A final dividend of 50,0 cents per share, which together with the interim dividend of 16,0 cents per share represents a total for the year of 66,0 cents per share (1987:50,0 cents per share).

Final dividends per share, calculated in respect

of the six months ended 31 March 1988, on the following classes of preference shares:

- 6,2% cumulative (R2 each) : 6,2 cents 7,0% redeemable cumulative 3,5 cents

(R1 each) - 7,0% cumulative (R1 each)

: 3,5 cents

2 Jan Smuts Avenue Johannesburg 2001 Republic of South Africa

dates inclusive.

The dividends are declared in the currency of the

Republic of South Africa and payments from the

office of the London transfer secretaries (Hill Samuel Registrars Ltd, 6 Greencoat Place, London

SWIP 1PL) will be made in United Kingdom

currency calculated by reference to the rate of exchange ruling on 15 June 1988 or at a rate

South African Non-Resident Shareholders' Tax at

the rate of 14.03% and United Kingdom tax will

be deducted from the dividends where applicable.

The relevant Transfer Books and Registers will be closed from 28 May to 5 June 1988, both

terially different therefrom.

Copies of the Preliminary Report will be posted to registered Shareholders and can be obtain Secretaries, Barneto Bros Limited 99 Bishopsgate London EC2M 3XE

This announcement appears as a matter of record only

CARTIER GROUP

took a participation in

PIAGET HOLDING and BEAUME & MERCIER Switzerland

The undersigned initiated this transaction.

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MONTREAL

HONG-KONG

NASSAU

May, 1988

Sweet talk in the corridors of Westminster

Peter Riddell on the lobbying efforts of Rowntree and Nestle

Monopolies and Mergers Commission — Lord Young, the Trade tage of having the bidder's initia-and Industry Secretary, and Sir tive. At Westminster meetings Gordon Borrie, the director-gen-Mr Helmut Maucher, the com-

of Rowntree, and Mr Douglas By contrast, Rowntree Henderson, Labour member for appeared to be slow off the mark Newcastle North, where the com- to the irritation of many of its

A BATTLE for hearts, minds and taste buds is under way at West-neous. Both sides have engaged minster between the supporters of Nestle', the Swiss food company, and the Rowntree chocolates of Nestle' has Bowntree sent the amusement to and by Mr Paul Twyman, of many members, the irritation of some and the disdain of Nestle' Department of Trade and Industry.

This lobbying at Westminster and has a reputation of some and the disdain of Nestle' Department of Trade and Industry.

Their aim is both to persuade and to mobilise opinion. This could be as important for decisions as events in the City. The two key figures in detarmining to ask questions, sign motions whether the hid is referred to the Monopolies and Mergers Commission — Lord Young, the Trade tage of having the hidder's initia-

Gordon Borrie, the directorgeneral of fair trading — are not pany's managing director, Olympian figures sitting in judge impressed MPs with his plans for ment in some detached way, the future of Rowntree if the bid They not only talk to MPs, as succeeded. However, even though both have this week, but they Nestle employes almost as many also listen to what is said at people in Britain (10,000 plus) as Westminster.

Many MPs are only too ready slower to go public in its support to be involved in the battle Sir William Clark, Tory MP for because of constituency interests Croydon South, close to Nestle — for instance, Mr Conal Greg- UK headquarters, has been a rare only Tory MP for York, the heart exception.

of Rowntree, and Mr Douglas By contrast, Rowntree

pany has a large plant. There are local MPs. But it is handk many others with interests. publicly by what it is allow publicly by what it is allowed to



Helmut Maucher: has the bidder's initiative

say at this stage. Despite some scepticism about Rowniree's record, the company has been able to play some strong cards - on regional grounds with its head office and many plants based in the north, its reputation as an enlightened employer and the absence of reciprocity (given the bid-proof posi-tion of Swiss companies). Supporters of Rowntree have dominated Commence archanges

dominated Commons exchanges. Parallel Tory and Labour motions backing Rowntree have attracted 150 signatories. Labour spokesman Mr Tony Blair has also been active on the issue. But, significantly, the party reflected its traditional industrial reflected its traditional industrial Rowntree bid. This is sponsored with roots in choosing shipbuilding, by Sir Giles Shaw, a former ests.

Industry minister.

There has been confusion about where the Government stands with conflicting statements. A hint that mergers of British companies might be pernitted in the larger European market, even though they create a domestic monopoly, was given by Mr John MacGregor, the Agriculture Minister, and was seen by some as tacit encouragement for a deal between Rowntree and Cadhury Schweppes, itself under threat from General Cinema of the US. Ahead of last night's speech from Lord Young offering clarification of competition policy, the cation of competition policy, the MPs backing Rowntree were claiming signs of a ministerial reappraisal. Mrs Thatcher left the issue more open yesterday by referring to public interest as trail as competition grounds.

well as competition grounds.
With Nestle' and Jacobs
Suchard having a combined stake distinctly cool to their arguments on reciprocity on Tuesday.

However, a new front has been of around 43 per cent, time is However, a new front has been of around 43 per cent, time is opened up with increased emphasis on the European dimension in view of the creation of the internal market after 1992. The vulnerability of British companies to non-reciprocal bids is the main theme of a motion tabled last ing is to leave ministers in no night urging a review of mergers doubt that, as usual in the Companies bid. This is sponsored by Sir Giles Rown a former set.

Investment income helps boosts Vaux 33% to £9.7m

BY CLARE PEARSON

preneur, had built up a 2 per cent (£80.05m)

stake in the company.

By the year end, investment Mr Paul Nicholson, chairman, income of £431,000 (which comsaid the holding, which had been pared with a £945,000 charge last ings in a number of UK companies including Scottish & New (27.65m) broke down into 24.65m castle Breweries.

Vaux Group, Sunderland-based Investment income earned on (£3.24m) for Swallow Hotels, and brewer and hotelier, yesterday the proceeds of last year's £35m £530,000 (£528,000) for wines and announced interim pre-tax profits issue helped fuel much of spirits. up 33 per cent to £9.71m and dis- Vaux's profits advance in the star closed that a vehicle of Sir Ron months to March 19. Turnover Brierley, the New Zealand entre- was 9 per cent ahead at £87.45m

Regarding Swallow, Mr Nicholson said the newly opened hotel at Waltham Abbey was already trading profitably in its first few weeks and a further hotel at

lagers.

Retail sales and profits of now again focus on the compawines and spirits, also based in my's worth on break-up - one

the north-east, were buoyant in analyst calculates that the sale the first half and Vanx bought a value of the hotels side alone further 18 shops in February.

rather than the bid, for a debate

next week, even though ship-yards now employ many fewer people than Rowniree alone.

The backers of Rowniree have

an uphili task. Mr Kenneth Clarke, Industry Minister, was

comment

The rise in Vaux's share price said the holding, which had been pared with a £945,000 charge last month. Hotel pre-opening costs it is 585p at yesterday's peak month. Hotel pre-opening costs will have amounted to more than the current year of 1985 Companies Act, did not seem ploughed into hotels, Vaux said. The interim dividend is lifted to have been increased since the end of last month. The stake of 15 per cent to 5.4p (4.7p) and 15 per cent to 5.4p (4.7p) and 15 per cent to 5.4p (4.7p) and 16 per cent to 5.4p (4.7p) and 17 per cent to 5.4p (4.7p) and 18 per sales were marginally sold its five per cent stake a year ahead, with a fall in draught ale offset by higher volumes in lasers.

value of the hotels side alone equates to the share price's recent levels. As far as trading performance goes, yesterday's figures showed Vaux putting up a defensible showing in the difficult north-east beer market, and the deal with Labatt shows will-ingness to build up the more promising lager side. Swallow Hotels is developing well, though the outlook is slightly clouded by the question mark hanging over the dollar and so over bookings from US tourists this summer. Pre-tax profits for the full year of £25m look possible, putting the shares at last night's close on a prospective p/e of about 15.5.

Cardiff Survey

The Financial Times proposes to publish this survey on:

June 1st, 1988

For a full editorial synopsis and advertisement details, please contact:

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FINANCIAL TIMES

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EUROPEAN COAL AND STEEL COMMUNITY US\$ 100.000.000 7 3/4 % Notes due 1991

We inform the bondholders that the June 25, 1988 repayment instalment of US\$ 7.300.000 has been made by purchase on Amount outstanding: US\$ 92,700,000,-

THE PRINCIPAL PAYING AGENT SOCIETE GEVERALE ALSACIENNE DE BANQUE 15, Avenue Emile REUTER

LUXEMBOURG

General Meeting of Shareholders

(On May 27th at 12 a.m. at the second notice)

GENERAL MEETING:

The Board of Directors of Comparia Telefónica Nacional de España, with the intervention and coursel of the Secretary and Legal Advisor, according to Chapter III of the Articles of Association of the company and other applicable laws,
(**)

**The Board of the Company and Co agreed to call shareholders to a General meeting, as Shares
FIRST NOTICE:
Date: 26th of May.

Place: Paseo de la Castellana, 2007 Madrid (Pabellón de Deportes de la Castellana, Deportiva del Real Madrid).

Madrid).

In case the meeting carnot be held at the first notice because of lack of quorum transversen in both the law and the Articles of Association, the wheeting would be held at the second notice. SECOND NOTICE:

Place: Paseo de la Castellana, 259, Madrid (Pabellón de Deportes de la Cudad Deportiva del Rest Madrid). OBJECT OF THE CALL:

The object of this call is to submit to the deliberation and resolution of the Annual Regiong, the matters included in the following agends. AGENDA:

Balance Sheet, Statement of Profit and Loss, Distribu-tion of Profits and Annual Report for 1987. Performance of the Board of Circums.
Legal and Statutory Appointments

I. Appointment of the Shareholders Auditors for 1988.

ments of the directors of the Board.

Modification of the by-laws:

1. Modification of the lst article: change of denomina-2. Adaptation of the 3rd article to the official name

of the street where the Head Office is placed. Authorization for the Board of Directors to increase the Stare Capital with new writing of the 6th article of the social by-laws.

Authorization for the Board of Directors to issue Debentures Bonds, Promissory Notes and other financial instruments or securities.

Ratification for the Company's shares to maintain their official Botton.

official listing.

Vill. Questions and answers.

X. Reading and, if applicable, approval of the Minutes

ASSISTANCE AND REPRESENTATION RIGHTS:

Shareholders who would like to attend to the Meeting must deposit his shares, at least five days prior to the Meeting days, in either the financial office of Comparita Telefónica (Meeting España or in any Bank or similar entity. The right to attend the Meeting is transferable in writing to other stransferable in writing to other stransferable in the compliance with applicable laws. INFORMATION AVAILABLE:

Stareholders will have at their disposal the Annual Report. Balance Sheet, and Profit shift Loss Statement for the focal year of 1987 and will be able to exercise their information signs during its days before the date of the first notice, in the Startest College located in General Peron, 38, Edificio States II, Editatio floor, telepitate number - 455 29 is 2000 Madrid: Litewise, the Company will send the abdomentation for the fiscal year locatory shareholder, who configure its condition of shareholder, asks for it in writing the condition of shareholder, asks for it in writing to the above mentioned addre

DELIVERY OF THE ANNIAL REPORTS Shareholders can obtain in achieve the Annual Report on 1969 24th and 25th from 9 a.m. until 2 p.m., previous presentative of the attendance card at the following offices. Avenida Speneral Perón, 38, ground floot; and Gran Via, 28, ground floot; and Gran

PRETING AT THE SECOND NOTICE: States for the matters tricinded in the Agenda, if it is not possible to celebrate the meeting at the first notice, the shareholders are advised that if not published otherwise, the Meeting will take place at the second notice on the date, place and hour above

Madrid, May 5th of 1988. The Secretary of the Board of Directors Heliodoro Alcaraz y García de la Barrera.



This advertisement is issued in compliance with the regulations of the Council of The Stock Exchange.

ASB Barnett Kinnings Plc (Registered in England under the Companies Act 1948 to 1981 No. 1729887)

Placing by CHARLTON SEAL LIMITED of 575,000 Ordinary shares of 2p each at 60p per share

SHARE CAPITAL

Authorised £50,000

Issued and now being in Ordinary shares of 2p each issued fully paid £57,500

The principal activity of the Company is in the selection and recruitment of accountancy and executive staff for industry, commerce and the accountancy profession. Application has been made to the Council of The Stock Exchange for the Ordinary shares of ASB Barnett Kinnings Pic to be traded on the Third Market. It is emphasised that no application has been made for these securities to be admitted to listing or to be dealt in on the United Securities Market.

Particulars relating to the Company are available in the Extel Statistical Services and copies of such particulars may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 27th May 1988 from: Chariton Seal Limited

> 76 Cross Street Manchester M60 2EP

Dumant House 8 Chiswell Street London EC1 4XD

TRANSACTIONS IN THE ORDINARY SHARES OF THE COMPANY WILL BE EFFECTED IN ACCORDANCE WITH THE RILLES AND REGULATIONS GOVERNING THE THIRD MARKET. THIS INVESTMENT MAY CARRY A HIGH DEGREE OF RISK

13th May 1988

Barnett Kinnings



Union Bank of Finland Ltd.

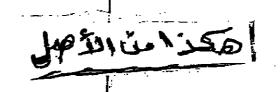
US\$ 100,000,000 Floating Rate Subordinated Notes due 2034

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from May 12,1988 to November 14,1988 the Notes will carry an interest rate of 8 % p.a. 2.

The interest payable on the relevant interest payment date, November 14, 1968 against coupon no 8 will be US\$ 413.33 per Note. KREDIETBANK S A. LUXEMBOURGEOISE

> COMMERZBANK OVERSEAS FINANCE N.V. 13%% U.S.\$ 100,000,000 Notes due 1988 tion as per July 18, 1988 Coording to § 5 of the Terms and Conditions of Space will be redescred at per on July 15, 1968. ne will be paid at ot as per July 17, 1988. 77,

przbenk Oversees Finance ILV.



UK COMPANY NEWS

Better weather helps ECC to 39% halftime increase

BY CLAY HARRIS

group, yesterday reported interim pre-tax profits of £599m, a 39 per cent advance, but warned that the pace of growth was unlikely. to be maintained in the second

Sir Alan Dalton, chairman, said construction activities especially had benefited from "kindlier winter weather." Overall, he said, order books were full and there was no sign of slackening demand in any market.

The pre-tax rise from the previous £43.1m came on turnover 22 Shiely. Among addition JL oper cent ahead at £417.5m (£341.5m) in the six menths to March 31. Currency fluctuations reduced profits by £1.2m, as did a reduced profits by £1.2m, as did a The contribution from drilling change in accounting for depreci-

On earnings per share of 18p (13.89p), ECC raised the interim dividend to 5.8p (5p) and forecast a final pay-out of at least 10.5p

arjuster that the

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PRESENTATION

(9.5p). In the international division, comprising china clays, calcium carbonates and other industrial minerals, sales were boosted by demand from the lightweight coated sector of the paper indus-

computer services company, is to

pay up to £13.3m to acquire three software companies in a move to

capture a bigger slice of the mid-

registr China Clays, the industry Profit rose to £37.2m (£31.2m) heavy weather of the mild winted minerals and construction on 19 per cent higher volume. ter, but the improved volumes oup, yesterday reported interim Construction contributed from quarries and clay pits etax profits of £59.9m, a 39 per £14.4m (£5.3m), of which ECC's 29.3 per cent stake in Bryant ditions. More important, how-Group, the Midlands house ever, was the categorical denial builder and property developer, of any sign of weaker demand for accounted for 56.7m (nil). BCC's its main mineral products. This own operations sold 565 houses at an average price of £52,600. Combut ECC was confident enough to an average price of £52,000. Commercial land sales brought profits of £900,000 (£2m).

Profits from quarties rose to £12.8m (£9m), despite an expected seasonal loss of £900,000 from the capacity, an expansion at Croft in Leicestershire was due to begin operation in mid-summer.

The contribution from drilling fluids fell to 2800,000 (£1m), as lengthened against a new bid. "murderous price cutting" in the sector prevented achieving any benefit from higher turnover, Sir

Alan said. Overseas expansion is increasing the tax charge with £21.3m (£14.9m) estimated for the first half and a rate of 36 per cent forecast for the full year.

ECC carefully avoided making 10.

Hoskyns expands software side

RTZ sells **Everest and** finance arm for £80m

RTZ Pillar, the automotive, construction and aviation products subsidiary of RTZ, yesterday announced the sale of Everest, the UK's leading double glazing company, for 231.9m to Caradon, the build-ing products group. raise prices by 4 per cent - dou-ble last year's increase. Yester-

In a related transaction, Comfort Finance, which pro-vides consumer finance for Everest, is being sold to Forward Trust, the finance house subsidiary of Midland Bank, for £48m.

Everest represents about 10 per cent of RTZ Pillar's activities. It is being sold because its emphasis on direct selling and installation work does not fit in with the division's future

Mr Antony Hichens, chairman of Caradon, said that the Everest purchase is in line with Caradon's strategy of specialising in building produc with well known brand names. "We can arrest the decline in market share of Everest and we have the marketing skills and plastic technology to make it a more profitable business,"

The payment for Everest will take the form of 6.7m new Caradon shares and the remainder in cash from the company's own resources. The new shares will be placed at 280p a share but will be avail-able for purchase by existing shareholders. Everest's turn-over for 1987 was £118m. The pro-forma profit for 1987 would have been 28.6m.

The Comfort Finance business has an asset value of about 250m, comprised mainly of consumer loans to purchas-ers of Everest double glazing

Caradon over £20m Caradon, the building products which is comprised of Terrain company, has unveiled a 36 per plastic plumbing systems and cent increase in operating profits Celuform, plastic timber systems

to £21.9m and a 95 per cent made £3.1m (£2.2m). advance in the pre-tax balance to £20.7m (£10.5m) for the year ended April 3 1988. It also announced the proposed acquisition of Everest, the UK's leading floation proceeds together with floation of Everest, the UK's leading floation proceeds together with floation of Everest, the UK's leading floating process together with floating process.

Interest cut pushes

BY VANESSA HOULDER

double glazing manufacturer, in

as "very satisfactory". It had

a deal worth £31.9m.

Earnings per share increased by 64 per cent to 26.6p. The final Mr Anthony Hichens, chair-div. man, described Caradon's results 8p. dividend is 5.5p, making a total of

as "very satisfactory". It had been a benign market for the British building sector, he said. Prospects for the present year were good, helped by tax cuts and the mild winter which increased housing starts, he added.

Sales increased by 20 per cent to £170.4m (£142.1m) as a result of a 5 per cent price increase and higher volumes across all divisions. These factors, together with cost reduction and containment of overheads, led to the increase in operating profits.

Interest charges fell sharply to Increase in operating profits.

Interest charges fell sharply to cent to 6 per cent over the past £1.2m (£5.5m), principally as a five years. This, Caradon blames result of flotation proceeds, helping the pre-tax profit to its significant increase. Caradon was formed through a £61m manage these factors right and cutting ment buyout from Reed International in 1985 and was floated on the stock market last July.

market share down fom 11 per cent to 6 per cent over the past five years. This, Caradon blames on weak marketing, a slowness to adapt to market trends and a poor product mix. By getting these factors right and cutting costs, Caradon believes it can boost Evered's margins from the stock market last July. the stock market last July.

The analysis by division that of its main rival, Anglia. Showed that Caradon Plastic Building Products made operations with the control of the City tends to share its confi-26.1m (£4.5m), Caradon Twyfords, lysts are looking for profits of bathroom fittings manufacturer, £31m which puts the shares on a £5m (£4m), Caradon Plastics, fair rating of 10.

BOARD MEETINGS

ing profits of £7.7m (£5.4m), Cara-

don Mira, the shower maker,

THE BEAUFORD GROUP P.L.C. RESULTS IN BRIEF

Year ended 31st December

	1987 £000	1986 £000
	EUR	EUUU
Turnover	13,701	10,172
Profit before Taxation	1,218	1.047
Dividends	4.0p	3.5p
Earnings per share	11.9p	10.0p

Salient points from the circulated statement by the Chairman Mr. Geoffrey Crawford.

- Turnover and Pre-tax Profits increased by 35% and 16% respectively.
- Earnings per share increased by 19% and recommended total dividends for the year
- In the light of current orders and prospects the Board views the future with confidence.

Copies of the Report and Accounts are available from: The Beauford Group P.L.C., Beauford House, Serpentine Road, Cleckheaton. West Yorkshire, BD19 3HY.

INTERNATIONAL ISSUE COMPAGNIE INDUSTRIELLE DES TELECOMMUNICATIONS C.I.T. ALCATEL FF 200.000.000

10 1/4 % Convertible Bonds due 1991 CHANGE OF CORPORATE NAME

We inform the bondholders that "C.I.T. - ALCATEL" has changed its corporate name to "COMPAGNIE FINANCIERE ALCATEL".

The bonds will be listed at the Luxembourg Stock Exchange under the following designation: "CIT ALCATEL (Actuellement COMPAGNIE FINANCIERE ALCATEL)".

This change of corporate name is made without any stamp on the bonds nor exchange of bonds. THE PRINCIPAL PAYING AGENT SOCIETE GENERALE ALSACIENNE DE BANQUE

Luxembourg Branch

sublin-based Vector Software. director, said a key reason was next three years. All three specialise in IBM's likely introduction of a In Hoskyns' maiden year since

range IBM computer market.
The three companies are
Insight Database Systems,
Insight Software (Export) and the
Dublin-based Vector Software. smaller computers, particularly new and more powerful midrange machine – expected by the industry to happen this year.

Hoskyns sees in this signifithe System/38 machine. Their range of software products include a widely-used financial management system and a soon-to-be-launched software package will provide existing users an "upgrade path" and an alterna-

The three companies had a tive to investing in a larger main-combined operating profit of frame computer.

Hoskyns Group, the fast-growing 21.1m in 1987 on turnover of As initial consideration, Hos kyns will pay £500,000 cash and Hoskyns, a specialist in "facili-Hoskyns, a specialist in "facilissue 3.45m new shares, of which ties management" - managing a 1.6m have been placed with insticompany's in-house computer tutional investors to raise \$3.9m

facilities – said the acquisitions for the vendors.

would bring to the group an A deferred cast extensive customer base.

A deferred cast to fam will depe A deferred cash payment of un xtensive customer base.

But Mr Geoff Unwin, managing to £4m will depend on profits of the two insight companies in the

its listing on the stock market in December 1986, it returned a pre-tax profit of £6.5m, up 44 per cent, on turnover of £79m for the cant growth opportunities as it 12 months to end-October 1987. The group recently won a £42m contract to manage the London Residuary Body's central com-

day's figures were especially encouraging because the expected benefits of US acquisitions have not yet begun to show through. On housebuilding, Sir

RCC's own share register, mean-while, shows no signs of any predatory stakebuilding. The div-

idend forecast, a departure from

need mee'ast, a departure from past practice, was more curious. By signalling a prospective yield at 5 per cent, ECC may be prepar-ing shareholders for an acquisi-

tion-linked issue. Full-year profits are heading for £145m, putting

the shares on a prospective p/e of

Concentric up 14% and confident

centric built on an encouraging start to the current year, and in the six months to March 26 1988, lifted pre-tax profits by 14 per ...

cent to £2.61m.
Mr Tony Firth, chairman of the West Midlands based controls

How Auditors should be helping their clients

FOR EXPORTS &

TECHNOLOGY

WIN THE QUEEN'S AWARDS

AS FORESHADOWED in the nies, Problems in the division a worldwide patent for a gas chairman's statement at the had now been addressed, he said. flame safety control which annual meeting in January, Con-Turnover expanded 38 per cent from £81.15m to £43.04m. After tax of £914,000 (£802,080), earnings per 10p share worked through at 8.76p, up from 7.72p last time. The interim dividend is

lifted to 234p (1.95p).

pean exports, Mr Firth added.

He also expressed confidence over Concentric's involvement in the burgeoning market for satel-lite dishes. The group's production of its "extremely efficient" west minimus passed controls and pumps manufacturer, said. Concentric's position as a domestic dish "represented an second half prospects were good major supplier of components to excellent opportunity for Concendespite a disappointing perfort the gas industry would be tric to be part of a market which mance by the controls compared by the group obtaining is expected to grow rapidly".

Western Selection down

Selection fell from £1.2m to £911,000 in the half-year to March 31 1988, on turnover up from

The directors said the market crash reduced the contribution from sales of investments by £110,000 and there was also a £98,900 reduction in the amount of provision released on the investment portfolio.

26.79m to £7.51m.

The interim dividend is being raised to 1.7p (1.5p) to reduce disparity between payments.

For details of subscription contact The Publisher THE ACCOUNTANT Axe & Bottle Court. 70Newcomen Street London SEt **Palechone: 01-357 7200** Fax: 01-357 6733

Deutsche Bank

Aktiengesellschaft

Frenkfurt am Main

(Incorporated in the Federal Republic of Germany with limited liability)

Notification of Dividend

The Ordinary General Meeting on May 11, 1988, has resolved to distribute the distributable profit of the financial year 1987 being DM 425,431,512 and has approved the payment of

a dividend of DM 12 per share of DM 50 par value.

The dividend will be paid less 25% capital yield tax against submittal of Dividend Coupon No. 49 at one of the paying agents listed in the Federal Gazette (Bundesanzeiger) of the Federal Republic of Germany No. 90 dated May 14, 1988. In accordance with the English-German Double Taxation Agreement of November 26, 1964, as amended in the protocol of March 23, 1970, the German capital yield tax is reduced from 25% to 15% for shareholders resident in Great Britain. To claim this, shareholders must submit an application for reimbursement within four years from the due date. This application is to be addressed to the Bundesamt fuer Finanzen,

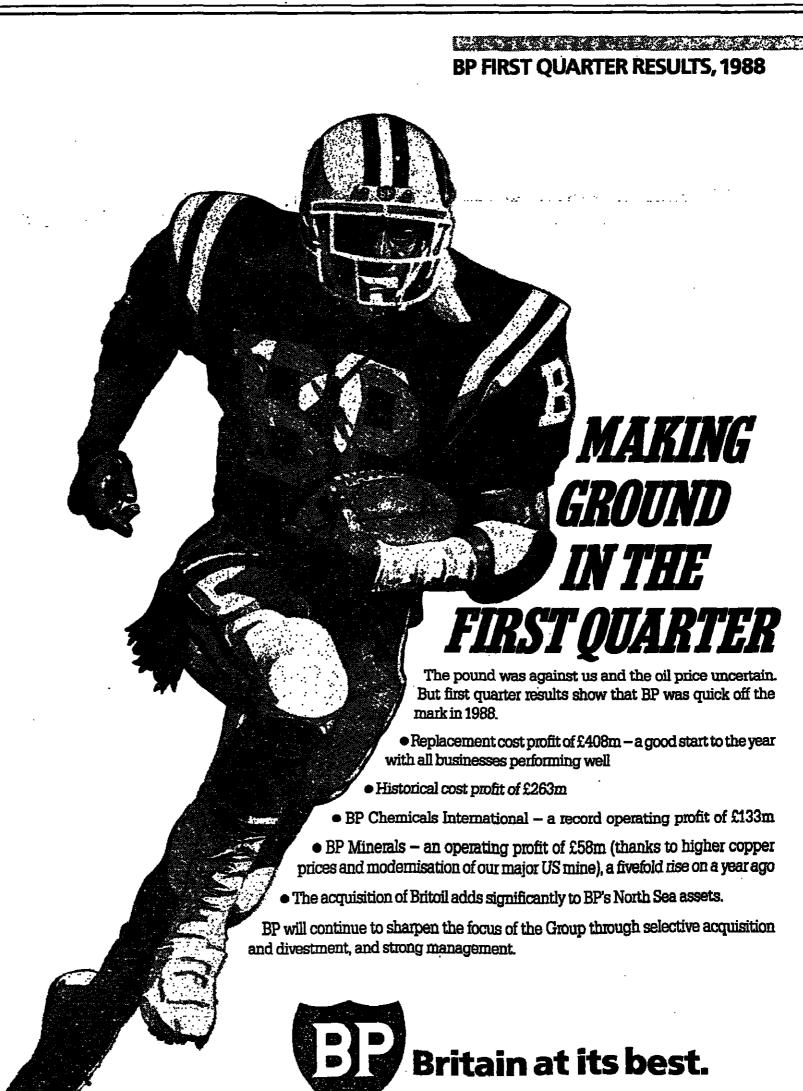
Friedhofstrasse 1. D-5300 Bonn 3. Under the German corporation tax system effective as of January 1, 1977, a tax credit amounting to 9/16 of the dividend declared is linked to the dividend. However, shareholders resident outside the Federal Republic of Germany and Berlin (West) are not entitled to this tax credit.

In Greet Britain payment will take place through the following banks: Deutsche Bank AG, London Branch, 6, Bishopsgate, London EC2P 2AT, Midland Bank plc, International Division, Securities Department, St. Magnus House, 5th Floor, 3 Lower Thames Street, London EC3R 6HA.

The dividend payment in Great Britain is made in Pound Sterling converted from Deutsche Mark at the rete prevailing on the day of submittal of the dividend

Frankfurt am Main, May 1988

Board of Managing Directors



General Accident

THREE MONTHS' RESULTS

The results for the three months ended 31st March 1988, estimated and unaudited, are compared below with those for the similar period in 1987, which are restated at 31st December 1987 rates of exchange; also shown are the actual results for the full year 1987.

It must be emphasised that the results for an interim period do not usually provide a reliable indication of those for the full year.

P	3 Months to 31.3.88 Estimate £ millions	3 Months to 31.3.87 Estimate £ millions	1987 Year Actual £ millions
Premium Income General Business Long Term Business	581.3 55.9	512.8 52.1	2,169.5 213.6
	637.2	564.9	2,383.1
Investment Income (see note)	77.3	65.3	299.1
General Business Result Long Term Business Profits	(21.0) 3.5	(51.0)	(98.3) 11.5
Less Interest on LoansUK Employee Profit Sharing Scheme	59.8 1.1	17.8 0.8	212.3 3.8 4.1
Profit before Taxation	58.7 14.1	17.0 1.0	204.4 40.8
Profit after Taxation	44.6	16.0	163.6
Preference Dividends	1.1	0.9	2.4
Net Profit attributable to Shareholders.	43.5	15.1	161.2
Earnings per Ordinary Share Principal exchange rates used in translating overseas results	22.8p	8.2p	86.2p
U.S. A. Canada	\$1.89 \$2.33	\$1.88 \$2.44	\$1.88 \$2.44
Note Investment income excludes £2.5m		epresenting a	mortisation

of U.S. deep discount bonds which under the U.S.A. accounting conventions

ANALYSIS BY TERRITORY		ERAL BUSINE		IUM INCOME
,		s to 31.3.88		hs to 31.3.87
	Premium	Underwriting		Underwriting
	Income	Result	Income	Result
	£m	£ma	£m	£m
U.K.	224.8	(2.8)	189.1	(30.9)
U.S.A.	196.4	(13.9)	171.7	(16.9)
EEC other than U.K.	40.7	(4.4)	41.9	(2.8)
Canada	60.3	(1.7)	55.6	3.4
Other Overseas	34.A	0.0	29.5	(1.8)
London Market Business				()
incl. internal reinsurance	24.7	1.6	25.0	(2.0)
	581.3	(21.0)	512.8	(51.0)

Net written premiums and investment income increased in sterling terms by fluctuations, the increases were 13.2% and 15.3% respectively.

In the United Kingdom, net written premiums were £224.8m (1987 £189.1m) and there was an underwriting loss of £2.0m (1987 £30.9m loss). The Motor account showed a reduced loss of £2.5m (1987 £5.7m loss) despite a slight increase in claims frequency. The Homeowners and Commercial Property accounts, reflecting the absence of extreme weather conditions which so adversely affected the 1987 result, produced profits of £L0m (1987 £19.6m loss) and £4.1m (1987 £6.2m loss) respectively. Experience in the Liability account remains adverse.

In the United States, net written premiums were \$371.2m (1987 \$322.8m) and the operating ratio was 106.55% as compared with 109.47% for the same period last year. On the United Kingdom accounting basis, the underwriting loss was £13.9m (1987 £16.9m loss). Improvement was seen in most major lines particularly commercial.

Elsewhere there were aggregate underwriting losses of £5.1m (1987 £3.2m loss) with some deterioration in results from France, Netherlands and Canada.

New annual premiums for life business in the United Kingdom for the three months were £9.2m (1987 £8.6m), and single premiums £6.5m (1987 £7.6m).

General Accident Fire & Life Assurance Corporation plc.

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Standard Chartered plans | Utd Scientific tops rights of up to £300m

Standard Chartered, the banking group which suffered serious losses last year, expects to go to its shareholders with a £200-£300m rights issue some time after its interim results in mid-

aner its interior restors in mar-August.

This was confirmed yesterday by Sir Peter Graham, the chair-man, and Mr Bill Brown, manag-ing director, in comments made after the group's annual meeting. Sir Peter said the precise timing would be dictated by market con-ditions.

The meeting was notable for the absence of Standard's major shareholders, the three "white squires" – Mr Robert Holmes a Court, Sir Y.K. Pao and Tan Sri

equity to asset from 3.6 per cent Standard Chartered is trying to to 5 per cent. Part of this could be clarify the position of Mr Holmes



Khoo. Nor were there any quessions from the shareholders who did attend about the bank sper-

did attend about the bank'sperformance in a year which saw because of poor controls in part record losses and the resignation of its operations, and Third of its chief executive, Mr Michael World loan provisions. Since then it has restructured its management, cut loss-making operations when the group intended to raise its ratio of and sold assets to raise capital.

Sir Y.R. Pao, the group's other deputy chairman, was not directly represented at yesterment, cut loss-making operations who, his son-in-law, said of the action that had been taken to specify the prettion of Mr Holmes is right and we shall see what

is right and we shall see what

to 5 per cent. Part of this could be achieved through retained earnings. But the bulk would have to come from a rights issue.

Although the group is not making an earnings forecast at this stage, its revenues were on budget in the first three months, and the bad loan situation had improved.

Last year, Standard Chartered incurred a pre-tax loss of £274m days.

Clarify the position of Mr Holmes is right and we shall see what a court, who has 14.9 per cent, and is a group deputy chairman. Shareholders yesterday approved the sale of Union Bank, the group's California subsidiary which is being disposed of as part of the capital-raising exercise. The document on the sale disclosed that Mr McWilliam had received £265,000 and improved pension benefits in connection with his resignation.

ROUND-UP OF ANNUAL MEETINGS

Iceland reports buoyant sales

Sales of Iceland Frozen Foods have expanded by some 38 per cent in the current financial year, Mr Malcolm Walker, chairman, told yesterday's annual meeting in Deeside, Clwyd. The out-of-town location was

chosen to enable shareholders to see how the group's complex at the site had developed. Iceland gained advantages in efficiency and economy in operating from a single central depot, he believed. Iceland had opened six new stores this year, all of which had proved successful. The group plans to open around 25 outlets by December.

Chairman said orders at both home and abroad had continued at a high level despite the effects of a strong pound. The group's gearing places it in a strong posi-tion to further develop in Europe and the US via acquisition.

Blackwood Hodge

The group's acquisitive programme in North America and Australia was bearing fruit and recent purchases were generally performing well, said Mr Arthur Richards, chairman. Demand in North America had increased despite the current weakness of the dollar. Major group compa-nies were enjoying healthy order books and activity levels not seen in recent years - albeit at mar-gins yet to stabilise at satisfac-tory levels.

Bunzi

Overall level of activity within the group was high and first quarter profits were ahead of budget said outgoing chairman Mr Ernest Beaumont. Mr James White, chief executive, has taken over as chairman.

Ruberoid

Current year profits were ahead of budgets and substantially ahead of last year, chairman said. Next year would see a full contribution from group's stake in Nebiprofa and 8 months contribution from the additional holding in Norwich Corrugated Roard.

S. Jerome

All divisions had operated at full capacity in the first four months of the year, chairman told shareholders, and new weaving machines had proved even more successful than expected.

Cambridge Electronic

Chairman said order intake continued to exceed both the level of 1987 and the company's

sic in the US shortly. Total US market for the product was currently worth some \$20m (£10.5m) per year.

ing machines had proved even more successful than expected. Sales were well ahead and new order input for both textile and electronic sides was "significantly greater".

First four months of current year showed a "very strong trading performance throughout the group" said Mr Ian Appleyard, chairman. Chiltern Motor Holdings and Union Trucks, both recently acquired, had made good contributions.

budgets for the current year. Production of Graseby Ionics' chemical agent monitor was steadily building up to serve existing to the pear to the update of the pear to the pea America, and there had been ini-tial orders from other countries. (£22.8m) and further opportuni-Graseby Medical was set to ties were currently under evalualaunch its patient control analge-tion.

£5m despite loss on overseas contract

Avimo (Taunton) incurred
losses of about film as a result of
technical and cost problems with
an overseas order for an electrooptic gun-sight system. The losses were offset against UK problems with a high-technology profits and the company's tax contract at Avimo (Taunton) rate dropped from 22 per cent to caused some concern in the City, 10 per cent

United Scientific Holdings, the defence equipment manufacturer, amounted in total to \$791,000. Increased pre-tax profits by nearly 30 per cent to \$5.35m for ings was held back slightly, the six months to March 31, despite the low tax charge. Fully against \$4.12m in the equivalent despite the low tax charge. Fully against \$4.12m in the equivalent diluted earnings per share were period of the previous year. Turnover increased by just \$1.8m to \$22m.

Avimo (Taunton) incurred

10 per cent.

Mr David Fraser, chief executive said, nine out of the ten companies in the group had met or persuaded analysts to downgrade their forecasts for the full year books had stood up particularly well to increased competition.

Pressure on international defence budgets meant contracts were addition of Varo, the Dallas being delayed and fewer night-vision equipment manufacespecially since USH had recently being delayed and fewer night-vision equipment manufac-advanced payments made, he turer with which USH is hoping said.

Mr Fraser added that the fluctuation of the currency markets still concerned the company. About 35 per cent of USH's profits are made in the US, Singapore shares. A more plausible explanation of the strain of the first statement of the strain of t and Egypt and profits in the first tion for the firmness of the share half would have been about £im price yesterday — down only 2p higher but for the strength of at 163p — is the possibility of a sterling. Consolidated earnings hid. STC, GKN, Thorn and Pilkfrom overseas and income from ington have all been mentioned dollar-based contracts were both as possible predators, but the affected.

An improved first half from the state of the defence industry at the moment and the unwilling. An improved first half from the at the moment and the unwilling-65 per cent-owned Avimo (Singa-pore) led to an increase in minor-selves to major contracts might ities from £253,000 to £627,000, The first payment of dividends sonably-priced on a prospective on the 5.5 per cent convertible multiple of about 10.

THE RECRUITMENT AND PERSONNEL SERVICES SURVEY

The Financial Times proposes to publish this survey on

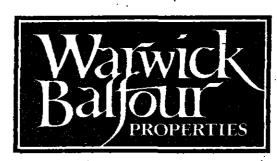
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Chris Sherwell explains why Expo 88 has more to do with fun than understanding

Then there is Switzerland. In unex-pectedly bold style, a new type of ski-lift runs outside and inside its pavil-

Nice video, shame about the tech

WHEN the organisers of Expo 88 ion's theme, Sport and its Science, is a decided on Leisure in the Age of Technology as the theme, they gave plenty of scope to the 52 governments and 20 first loves of the predominantly Australian and 20 first loves of the predom

or so corporations, from 43 countries, exhibiting at Brisbane.

Yet it is immediately obvious to any visitor to this latest world's fair that the emphasis is more on leisure and "having a good time" than on technology and the way it has transformed our lives.

There is no equivalent to the sewing machine unveiled at the first exposition at Crystal Palace in 1851, nor anything to parallel the wonders of televi-sion, tape recorders, nylon and plastics which graced the New York

Indeed, there is not even an Eiffel Tower (Paris 1889) by which to remember it. Instead there will be a large amusement park - impressive and entertaining, no doubt, but hardly durable and hopefully not too symbolic of the times.

For the poorer countries, the emphasis on leisure has, probably rightly, been translated into tourism, the world's fastest growing leisure indus-try, and into traditional craftwork. By contrast, the rich countries and the technology-oriented corporations have had to resort to their imaginations. Should their technology he on display for its own sake? Or must it be linked to leisure?

The second secon

MY

di safe pizz

achieved by the US, followed closely by Japan and Britain. The US pavil-

ogy, ingeniously pitched at one of the first loves of the predominantly Aus-

tralian crowds. The display leaves no one in any doubt that those with more leisure time on their hands have a greater choice of activity than ever. More important, however, is the demonstration of bow science and technology have played a crucial role in improving athletic performance. The sublimi-nal point is that, as with the commit-

nal point is that, as with the commit-ment to space exploration, science in sport has yielded spin-offs to ordinary mostals in their daily lives.

In the case of Japan, there is also a subtle message. In essence it pleads: "Do not see us as workaholics and gadget freaks." Thus, the Govern-ment's exhibit concentrates on cus-toms and culture rather than homs and culture, rather than bombarding the audience with high-tech The theme, Harmonising Tradition

and Technology, says it all. In one display, a miniature model of old Tokyo is cleverly animated by three-dimensional figures, created using special projectors and half-mirrors. It is set — appropriately in Australia's bicentenary - 200 years ago. The British exhibit, by including a new type of simulator accessible to large numbers of people, succeeds in showing how modern technology can be adapted for leisure. This is entertainment on a different scale and of a different quality from, say, the video

ion. Inside, a steep ski slope, thickly coated with artificial snow, winds its way from top to bottom. Both are proving highly popular.

The most used technology at Expo, however, is not only impressive but

also, ironically, the least noticed it has been installed by the organisers to help the tens of thousands of people pouring in each day to see the fair. First, there is Expo Info - eight kiosks dotted around the 40-hectare site, each containing seven easy-to-use touch-screen displays giving visitors information about the fair. Instead of pounding a keyboard, the user presses a plastic, infra-red sensitive "grid" lying over the face of the monitor. The technology is not new, but the Expo adaptation is remarkable. This is not the simple sort of directory system you may have seen helping customers make withdrawals from bank accounts. It has a massive database about Expo and incorporates video. In both Japanese and English, it dis-penses information in words, pictures and sound about the pavilions and exhibitors, the daily entertainment (some 20,000 events in the six months

to the October close), food and drink

outlets and transport facilities. Old and vonne alike cannot resist it.

which combines personal computers,

video cameras and communications

Second, there is Lostots, a network

systems to re-unite lost children with their parents. Each lost child is taken to one of five centres where, with the help of the system, he or she can see and speak to the distressed parents in another centre. On opening day at Expo, when 110.000 people attended, about 40 lost children were reunited

with their parents. Third, the Expo authority has developed new security arrangements for its ticketing and entry system. This followed the discovery that the Van-couver Expo in 1986, despite having a larger than expected attendance, suf-fered a heavy financial loss because of

ticket fraud.
To avoid this, the Brisbane organisers decided to target their security efforts at Expo staff workers and sea-son ticket holders. Each pass and ticket has a photograph, a bar code which allocates it to the individual holder and a backing sensitive to

ultra-violet light. This is enmeshed in a plastic wallet which forms a seal with the paper of the ticket.

So what is less than perfect about Expo? For one thing, some exhibits are downright disappointing (the European Community's, for example).

Many are notable for what they exclude rather than include: no digital audio tape recorders from Japan; very little technology from the Soviet Union; as for space, that is in the Queensland pavilion, of all places, because the state has half an eye on the proposed development of a space port at its northern end.

A second odd feature is the lack of technical explanations for the curious visitor. Try to find out what that artificial snow really is. or how a laser disc is made, or the effort that went into making the robots dance, and you must go to some trouble. Understanding technology is, unfortunately, not a central part of this fair.

Finally, it is remarkable how many exhibits depend on audio-visual presentations to make an impact. There seems to be no more ubiquitous symbol of our age than the screen and no better confirmation of our increasingly limited attention span

Look for the traditional leisure pursuits - literature, music, art - and you will not find much at the Brisbane Expo. Yet their popularity undoubtedly endures. Why else would the Vatican treasures (its first Expo exhibit) attract such large queues?

Another question which must be asked is whether the world is suffering from Expo fatigue. Brisbane's is the fifth Expo this decade, the eleventh since 1958. Between 1851 and 1958, there were just 12. Now Japan plans an International Expo of Greenery and Garden in 1990, and a Universal Expo is set for Seville in 1992.

THE US: SCIENCE HELPS OUT WITH COACHING

with drugs wastage By Alan Wraight

Dispensing

THE DRUG trolleys being wheeled past the 650 beds at the Hope Hospital in Salford, near Manchester, are unlike those in most UK National Health Service establishments.

Gone is the clutter of brown bottles full of tablets and capsules. Instead, neet rows of open topped boxes play host to plastic sachets containing the exact medication for each patient.

These sachets are the end prod uct of a new computer-controlled medication dispensing system under trial in the hospital's pharmacy department. Computerised systems of this type have been in use in Japan for 15 years and in the US for a decade. But this is the first such trial in the UK.

The machinery at Salford, known as the ATC 212, was supplied by Baxter Healthcare. Brit ish subsidiary of Baxter Travenol of the US. The company says its advantages over manual dispens-ing methods include:

• Improved hospital management information. The computer keeps a record of drugs used and enables costs to be attributed to a patient, a ward or a consultant.

 Less wastage. The normal method of dispensing medication often results in drugs being left over when a patient is dis-charged. In wastage alone, ATC systems in the US have resulted in average cost savings equiva-lent to between £2,000 and £3,000 a month," says David Price, proj ect manager of the Hope Hospital

Time savings. Bottles no longer have to be filled and nurse are freed from searching for the patient's medication. There is also less chance of the wrong drug being given.

The ATC in the Hope's pharmacy department consists of two units - a computer, with software written by Baxter Travenol, and a unit dose machine made by lanyo of Japan.

Sanyo's equipment takes its instructions from patient records keyed into the computer. The unit dose machine consists of 212 canisters containing tablets and capsules. The canisters, opened and closed by electric motors, dispense medication into a strip of plastic bags which are then automatically heat sealed and labelled. The sachets are then

BRITAIN: SIMULATING A SPORTS DREAM COMMISSION 20 hours of video film on life in Britain. Edit it to 198 min-utes. Put it on laser disc. Show it through 100 television monitors mounted on an inverted pyramid in a chamber of mirrors. Place the audience on a revolving floor. Bring up light and sound. The result: an eightminute kaleidoscopic mind-boggier

called the Crystal Cone.
However, this centreplece of the British pavilion is not the outstand-ing example of technology. That title goes to the Super X Prokon, a simulator for the entertainment industry. The idea is to put people in a situa-tion they normally only dream of. Last week it was a seat in the lale of Man car rally. But by changing the video programme, it can be a ride on a motorcycle or a behaleigh.

The simulator occupies 306 sq ft of

later, he cave a new meaning to the

job of paperboy, when he hired his classmates to check up on marriage licences at the local City Hall, and then sent trial newspaper subscriptions to newly weds. This innovative marketing technique is said to have

brought him so much extra business

that he was able to buy a car out of

From an early age, he was also a

computer hobbyist, and at 19, after years of tinkering with machines, he

started his own personal computer business. Since then turnover at Dell

Computer has jumped to \$159m

(£85m), generating net profits of \$9.4m last year, while the employee headcount has jumped from 150 two

years ago to 650. Inevitably, however, growth on this scale has also prompted a barrage of

questions. Can the pace of expansion be sustained? And how vulnerable is

space and weighs 1½ tons. It accommodates 15 people and is simple to operate. Software programmers have co-ordinated the visual sequences with a multi-axis hydraulic system, which moves the aimulator capsule. The effect is enhanced by a sound-

track and air circulator.

A Hall of Inventions houses the best of UK leisure products. These include the Wizard hydrofoli (a light sailing boat which lifts out of the water at speeds above nine knots), the Shadow icrolight, which flew from Britain to Darwin this year, and a lightweight cycle made from magnesium.

Among the models is Hotal, the proposed space aeroplane which will fly from London to Sydney in 45 minutes. A computer system with an archi-val database enables people to trace the birthplace of British ancestors. JAPAN: HIGH DEFINITION TV STEALS SHOW

THERE IS no doubt about the highlight of the Japanese exhibition at Expo: high definition television. The main pavilion has three giant screens, each 3m wide and 1.7m high.

Each screen has 1,125 scanning lines, nearly twice the 625 on a con-

ventional television, and carries five times the amount of pictorial information. The overall result is a picture of astonishing clarity and sharpness.

During Japan Week in July, there will be the first live satellite link using high definition television. NHK, the company behind the technology, says video recorders and video disc players for home use are also under development. The three screens in the exhibit, with 18 slide screens, show traditional Japanese leisure activities through the four seasons.

Restraint is again apparent in the

demonstration of automation. Two resplendently dressed factory robots perform a Lion Dance lasting some 10 minutes. But the sign nearby tells of the dance, not the engineering and programming feat involved. Next door, in the Japan Techno-

plaza, you hear the melodious sounds of an acoustic guitar, but you see a robot playing it - with six right-hand fingers and 73 left-hand ones. Futitsu, in its corporate stand. is more aggressive. It too has a musical duet by a pair of precision robots, though the blase audience seems unimpressed. Far more popular is a 3D computer-generated movie comprising 45,000 images shown on a gigantic roof screen. Created by 15 months it tries. people working for 14 months, it tries to tell the story of the universe and

recently? Perhaps your swing is let-ting you down. You can find out using equipment being demonstrated in a corner of the US pavilion.

All you do is hit the ball. In those

few instants, ultra-sensitive light sensors monitor your swing, your club's contact and your follow-through. A high-performance computer processes the information into read-outs which

tell where your faults lie.

The device is one of several US products showing how science and technology have helped sports enthnsiasts to improve performance and reduce injury. Another is a radar gun which allows aspiring pitchers to see how fast they can throw a baseball. The fastest professional pitchers manage more than 160km per hour.
If you find exercising at home bor-

HAD A bad day on the golf course ing, the pavilion offers many new ways to maintain enthusiasm. A row-ing machine allows you to compete against rival scullers with the help of a colour video screen. It is just like a video game: helicopters suddenly deliver additional rowers to strengthen the opposition, then sharks chase them.

> Perhaps the most revealing part of the US exhibit tells the visitor how sports equipment has evolved. A display of ancient and modern tennis rackets and balls, running shoes and ski-boots, and even yacht keels, shows how technology has been applied to improve achievement. In the case of the shoulder pads and helmets used in American football, it is also a sobering reminder of how aggressive sports contests have become

MANAGEMENT

MICHAEL DELL is a prototype of the new generation of US computer industry whizz kids. He is enthusiastic, ambitions, full of ideas and, at the tender age of 23, already a wealthy man. He also runs a company that has grown at a blistering pace in its brief four years of existence; and he is going international as fast as his finances will let him. Beguilingly unassuming in conversation, Dell has already become something of a hero figure in the US. At the age of 13, as a schoolboy, he started his first business buying and selling stamps. A couple of years

the company in a business as fiercely competitive as personal computers?

Two issues underlie these questions. The first is a general one about the nature of the personal computer market, a business which is unmis-talkably led by International Business Machines. It was IBM which estab-lished the basic computing and soft-ware standards which allowed the PC

Dell and crush them with sheer mar-Not so, says Dell. IBM's strategy in launching its new Personal System 2 (PS/2) range, he contends, was to try to re-establish its authority in the market. But in his view the manoeuvre has failed. Users, he argues, want a range of suppliers; and they like PC networks that work to universal standards rather than the proprietary

An innovator who believes that IBM needs him

Terry Dodsworth explains how Michael Dell, one of the US's youngest entrepreneurs, is blazing a very individual trail in the computer industry

systems of one manufacturer. This is why the MS-DOS operating system developed for the first IBM PCs is still a strong force in the market; and it will mean that the PS/2 range will partly depend for success on having a variety of manufacturers making compatible machines. At the same time, Dell contends

that Intel and Microsoft, the two IBM sector to take off in the early 1980s. Many people in the industry believe suppliers behind the development of microprocessors and software for the PC range, are key elements in estab-lishing the standards for the industhat it could easily turn on the manufacturers of compatible machines like try. And they are free agents. "Our policy is to build high-performance machines on microprocessors which run industry-standard hardware and software," he says. The second question concerns
Dell's ability to stay the pace in a
commodity-type market where users
can shop around for products. Indeed,
the openness of the market is one

standard which has allowed companies like Dell Computer to emerge: instead of using fancy computer techniques to compete, these organisations now have to fight for a place in the sun using traditional business

Dell's formula for growth is based on an unusual marketing approach and a strong emphasis on service. On the marketing side he has come up with what is claimed to be a unique package in the US, a distribution system that cuts out all middle men. The aim is to keep prices low by short-circuiting the normal process of selling through third party agents and shops. "The PC industry uses distributors because Apple and IBM decided that that was the way to do it," he says. "But we do it differently." Dell's target is the corporate sector. This is a part of the market where larger mainframe and minicomputer

companies are supposed to have an

in-built advantage because of their names and existing position in com-puter departments. But Dell believes that in the PC sector customers are willing to look at different suppliers, as long as they are responsive enough to customer needs. He aims to reach smaller companies through advertising in the trade press and taking sales over the telephone: directly by face-to-face marketing

By avoiding the established distribution chains, the company claims that it is able to cut prices to around half the industry average. Costs on the manufacturing side, on the other hand, are not a particular issue. Indeed, the company believes that it has to invest heavily in technology to stay in contention.

It assembles its machines in the US and employs a relatively large team of designers – about one-tenth of the



total workforce - so that its model

line is up to date.

Dell moved quickly, for example, to bring out machines based on the latest 386 microprocessor from Intel, and now has its own version of the

Microsoft OS/2 operating system

developed for the PS/2

Great emphasis is also placed or support and after sales services. The initial price of Dell PCs includes a year's free servicing. UK customers who run into problems can contact the company via a free 0800 number and discuss it with trained staff who have access to a detailed client file. If the difficulty cannot be solved, Dell promises to send round a service engineer within 24 hours.

This approach has raised some scepticism in the industry because it is so innovative. But Dell clearly believes he has an eye for market opportunities. User companies, he says, appreciate close contact with suppliers to help with their desktop

computing problems.

"Many dealerships and shops have a high staff turnover," he says. "The level of expertise varies greatly, and the quality of service and support is all over the place." The company benefits from its close customer contacts, Dell adds. "We get a daily feedback this way from our customers and that helps us with the development of our new machines."

The Dell marketing approach is now being tried in the UK, where sales began last June. Since then, turnover has risen to about 15 per cent of the group total, giving the company a market share of between 3 and 4 per cent. The next step, says Dell, who owns about 65 per cent of the group himself, is a drive into Continental Europe.

Research and development

How ICI is breaking down the barriers

corollary of establishing an industry

The UK chemicals group wants to exploit further both the scientific and marketing potential of new products. Peter Marsh reports



MANAGERS of industrial together the UK industrial giant's ing act. Most of these people are bulk chemicals activities.

The group, with an annual istrative and manufacturing sites with makes a longer range of products, continually struggle with makes a longer range of products.

The proof of these people are based at the group's main administrative and manufacturing sites in charge of the strategy is Romann and the group's main administrative and manufacturing sites are proof of the strategy is Romann and the group's main administrative and manufacturing sites are proof of the strategy is Romann and how best to combine relevance

researchers from making the grand leaps in science that could lead to economic rewards.

may lead them into areas which are wondrously interesting - but the chance to put firmly into irrelevant to the industries they practice ideas about R&D manare supposed to be helping.

mers group, a £4bn-a-year turnover company formed at the commercial functions. beginning of last year to bring

io get gearer user industries

makes a huge range of products, including fertilisers, acrylics (such as Perspex sheet), plastics,

The two goals can conflict. An soda ash, fibres and chlorine over-emphasis on directing R&D chemicals together with a variety towards narrow commercial of other more specialised chemiactivities may constrain cals for specific industries. researchers from making the Responsibility for making and selling the different products is given to 11 separate business At the same time, giving technical people too much freedom and polymers unit.

The group's formation gave ICI

agement which have surfaced in The conundrum is stark many big technology-based com-enough at Imperial Chemical panies in recent years, in particu-industries' chemicals and poly-iar the need to avoid unnecessary barriers between research and

The researchers must on one level help in the marketing and

applications of products based such as ethylene, benzene and

given ICI's goal, which it shares concerns, of steering its product with business groupings. mix further towards the highervalue areas of chemicals and a matrix structure - reminiscent

In charge of the strategy is Rob ticular discipline. Margetts, the group's director of research and operations. "Every-thing starts with the recognition that research people have to get nearer to the user industries," regarded within the company as pylene plastics.

They also have to be aware of a high-flyer.

They also have to be aware of a high-flyer.

Some of the groups may work almost entirely for a specific developing novel molecules for a technical strategy with business division, while others series of fast-moving fields thinking, which makes you high are likely to divide their time including advanced composites, on relevance. You have to impose catalysis and polymer chemistry. excellence by creating within the excellence by creating within the and indeed also develop links This second area of work is structure skill zones where peobecoming all the more important ple with technical expertise can work together, developing links with many other big chemical both with other scientists and

The arrangement boils down to away from the commodity end of the R&D management style of the industry.

Ideally, the researchers should and Honda — in which every

scientific team centred on a per-Margetts has set up about 10 technical groups, each containing between 50 and 150 people, which interface with the business divisions. The groups cover areas says Margetts, an enthusiastic such as catalysis, halide chemis-41-year-old who joined ICI as a try, electrotechnology and the largely on commodity materials 41-year-old who joined ICI as a try, electrotechnology and the such as ethylene, benzene and chemical engineer in 1969 and is fast-expanding area of polypro-

> between several businesses with ICI companies outside the chemicals and polymers struc-ture such as ICI Films and ICI Advanced Materials.

Overlain on this network of technical teams is a looser group-ing of resources around materials research and polymer chemistry, These ideas, in the form they are being applied at ICI's chemicals and polymers group, essentially encourage its 2,000 research the different parts of the group's staff to perform a mental balance.

These ideas, in the form they are being applied at ICI's chemicals and polymers group, essentially encourage its 2,000 research the different parts of the group's belonging both to one of the 11 is related to products such as business divisions and also to a perform a mental balance.

These ideas, in the form they big Japanese companies like NEC two areas of technology in which and hoving the ability to should and hoving the ability to staff are involved. The first area tory, led to an "elititst" spirit way areas of technology on two areas of technology in which should and hoving the ability to staff are involved. The first area tory, led to an "elititst" spirit way areas of technology in which should and hoving the ability to staff are involved. The first area tory, led to an "elititst" spirit way to achieve innovation is by the different parts of the group's belonging both to one of the 11 is related to products such as business divisions and also to a composites, engineering plastics.

tions as varied as water-treat-

had become evident. This had already led to one major decision, the scrapping of the main corporate laboratory in Runcorn for bulk chemicals and related areas, followed by the related areas, followed by the great the acrylics division, says relief invitors of configurations.

cial divisions of the company. oratory was a prerequisite to the committed to our business" rather than being in a separate chemicals and polymers group, R&D section of the company. according to John Colchester, arch and technology.

a researcher and a works manager. In the 1970s he was in
charge of ICI's new-ventures division, which attemped to "seed"
new technology-based businesses.

Colcherge cours the yentures divinew technology-based businesses.

and films, and the second to the divided the R&D and marketing production of novel types of spe-functions of the company and cialised chemicals for applica- interrupted the flow of new ideas. It probably is too early to make any definitive judgments on how ment and fibres processing.

Margetts believes that these

Margetts believes that these two aspects of technology are so working, but some of the omens important that they have rele-vance to most of the group's busi-The development of a new

highly durable ICI material called Before the formation of the Asterite appears to have been chemicals and polymers group, helped by a close relationship the drift towards integrating the between technical and marketing research and business functions people. The substance is being in the bulk chemicals side of ICI sold with some success by the chemicals and polymers group's

redistribution of staff to commer-cial divisions of the company.

cial divisions of the company. The closing of the Runcorn lab- research staff "who have been

Ian Click, a research and techgroup general manager of nology manager in the group's chemical products division, Colchester, like Margetts a which is involved in a range of specialised chemicals, says the worked for the company both as new thinking is "blurring the

LME's new zinc contract to be quoted in dollars

BY KENNETH GOODING, MINING CORRESPONDENT

to introduce a new "special high specification when pricing discus-grade" zinc contract – for metal sions took place with consumers of at least 99.995 per cent purity next spring during the so-called on September I. "mating season".

The new contract will be priced Mr Stephen Briggs, an analyst

in US dollars and on the day it is with Shearson Lehman Hutton's launched the existing high grade London Metals Research Unit, zinc contract will be switched said the change was not as big a from sterling to dollars.

performances closely.
Mr Christopher Green, the

rom sterling to dollars. Step as in September 1984 when The two contracts will run in the LME introduced the high parallel for some time and the grade zinc contract to run along.

LME Board will monitor their side the the one for "good ordi-

LME board chairman, pointed out yesterday that the timing of the introduction of the contract was decay about 10 submit appropriate brands for to 15 per cent of the zinc production of the contract was of the zinc production of the contract was of the zinc product was of that quality.

Mr Briggs suggested: "This is the metal.

THE LONDON Metal Exchange is custom smelters to use the new much more a case of the LME getting shead of the game and being innovative than simply following market trends."

Trading in the new contract delivery position (and up to 15 months) on September I with the first cash position falling due on December 1.

Options trading will not be available until the new contract well-established. The LME said all zinc produc nary brand" zinc. The LME said all zinc produc-The "gob" contract was dead a ers world-wide will be invited to

Moderate Opec states to meet

Nigeria, which represent the mid-dle ground of the Organisation of Any s the Petroleum Exporting Coun-reflects a measure of resentment tries, will hold consultations over Saudi Arabia and Kuwait's Malaysia. prior to the next ministerial con-ference scheduled to begin in stance at the last conference and Vienna on June 8.

Indonesian Minister of Energy, could jeopardise future prospects opposed by a majority of eight state's official news agency Antara as saying that they would to co-operate. discuss the need for world oil At the same time Mr Ginanjar price stability.

full Opec session of the three moderates, which are also the only significant members not opec should offer a collective cut opec.

rice stability.

Suggested that there might be no and the other conservative Arab producers of the Gulf while at the producers of the Gulf while at the

Indonesia, Venezuela and from the Gulf, would be unprece on a barrel-per-barrel basis not Nigeria, which represent the middented. Any such plan almost certainly tions of the six - Mexico, Angola, China, Egypt, Oman and

Its insistence that such a volume should be conditional on an the apprehensions of the three arithmetical distribution Mr Ginanjar Kartasasmita, the that the two Gulf heavyweights amongst the 13 members was

> It was supported by Kuwait other extreme Algeria, with the

EC passions rise over cereal fodder

IF PRE-ELECTION preoccupa tions in France were an explanation for the lack of serious negotiations on prices at last month's EC Farm Council in Luxembourg, post-election uncertainty in Paris is widely expected to ensure that next week's meeting of Agriculture Ministers in Brussels turns into a similar sort of

But among the issues most likely to stir passions among member states is the proposal by the European Commission for a new subsidy to encourage use of cereals in the livestock sector.

This so-called "incorporation premium" would be paid to compound feed manufacturers who could demonstrate that they had increased their use of cereals against a reference period yet to ers see a direct threat to imports be formally set. It would be from the transport to the financed from income from the financed from income from the

THE FIVE major world wheat exporters – the US, the EC, Canada, Australia and Argentina - have spent a lot of money on support programmes with little effect on the overall the International Wheat Council. writes David Blackwell.

An IWC report on the five countries' support policies and export practices concludes that they "have been competing to maintain their shares in a market which has not so far

ten into the conclusions of the February Summit. The plan has also raised hackles in the US, where maize gluten feed produc-

responded as much as expected to the inducements on offer." Export measures have had a profound effect on the composition of the wheat trade. But a large proportion of the fluctuation in demand has corre-sponded to Chinese and Soviet

offtake. If these countries imports are excluded, says the IWC, trade rose from 65m tonnes in 1980/81 to almost 70m tonnes in 1984/85, but dropped to only 64m tonnes in were understood to be happy with the formal Commission posi-

Opponents like the National

Association of British and Irish Millers argue that the impact of the scheme would be "minimal" and that there would "undoubt-

Bridget Bloom reports on this week's international agricultural conference in Munich

The uphill road to world-wide farm reform

YOU COULD have cut the atmo- But while Ambassador sphere with the proverbial knife. Amsturz's frustration was palpament tion from government, if their quarrels within the EC on farm These include not less than but environmental considerable they will inevitably be a force for considerable transfer. These include not less than the function but environmental considerable transfer and are by servation, recreation, rural findusexperts and businessmen on farm future of agriculture in as wide a reform. But his words stung.

Ambassador Amstutz came ate a manner – as possible.

very close to accusing the Eurotion in the Gatt talks, and agreed Institute for International that all farm support must disappear rapidly, dire consequences would follow, he said.

Gatt itself might die if the farm talks failed, trade wars would flourish and the US would retreat into protectionist policies which could only damage the rest of the

Mr Amstutz's message was not entirely new, and not entirely without bombast. It is a year since the Reagan administration made its remarkable "zero option" offer to abolish all subsitaking place in the Gatt Uruguay

kets.

So far, the US proposal has met only the most tentative response the other two. As one delegate from the rest of the rich world. remarked, farm reform may well the presidential election and the farming interests. mid-term review of the Uruguay

cial envoy for agricultural trade shocked his audience most was and development, looked mild that he had chosen not a hardenough as he rose to deliver a baked negotiating session within speech at the dinner which Gatt to deliver his message but closed the first day of a Munich one of the rare conferences conference of mainly European whose purpose is to examine the

It is often the way with conferpean Community of sabotaging ences, that while light is thrown current attempts within the Genon the problems faced, agreement eral Agreement on Tariff and on solutions continues to elude Trade to achieve world-wide farm the participants. This week's reform. Unless the Community affair in Munich, jointly organ-came much nearer to the US posiised by the London-based Royal

> It is a year since the Reagan administration made its remarkable "zero option" offer to abolish all farm

lies to its farmers and all farm Research Centre and the West trade protection. The offer is part German IFO Economic Research of the international negotiations Institute, ran true to form.

Three main problems emerg Mr Amstutz's intervention dra-The Gatt talks were agreed at matically highlighted the deep Punte del Este in 1986 and aimed differences between the EC and at introducing some sense into the US over what international the world's agricultural policies, reform of agriculture should where the rich countries expen- mean. Secondly, there are not sively subsidise their farmers to only evident differences but also produce huge surpluses while very considerable uncertainties poorer countries struggle with within the European Community food shortages or dwindling maras to the ultimate ends of its own

The EC has said that subsidies be too important to be left to the should be reduced, but not by farmers, or to Ministers of Agrihow much, or when, while Japan culture. But until governments has not gone even that far. There can agree on what the goal of is clearly increasing frustration farm reform should be, the run-in Washington with these atti-ning will continue to be made by tudes as the clock ticks towards the powerful lobbies representing

Although many farmers know Round in Montreal next Decem- that reform must come and would welcome some clear direc-

The most profound difference between the US and the EC is whether the goal should be to abolish all farm subsidies and farm trade protection. The US proposal to the Gatt clearly aims at such complete liberalisation, allowing as exceptions only food aid and "production neutral" income compensation for farm-

No official EC spokesman has endorsed such a course, even on a much longer time-scale than the decade the Americans envis-age. Even the most outspoken critics of present policies, like Mr John MacGregor, the British Agriculture Minister, seem to envisage some continuation not only of farm support but of farm trade protection.

At the Munich conference, Mr MacGregor noted the EC's aim was to reduce subsidies, but said the US "drastic target" for their complete removal in 10 years was "not feasible."

The critical question as to whether compromise will emerge between the US and the EC remains unanswered. EC officials and politicians clearly believe the US will abandon the zero option. and then business will be possi-ble – if not very probable until after the after the US elections. Meanwhile, there is consider-

able rancour within Community ranks that the US has failed to recognise the achievements already made towards farm reform by the EC heads of government summit in February, when agreement was reached on the so-called stabilisers limiting budget spending on a wide range

battle fatigue" among just those EC officials and politicians who

now quite well known. It was not try and housing by accident that this week's conference was held in Munich, capital of Bavaria, where many believe the state government

At the conference, Senator Subler, president of the Bavarian Farmers Union, argued powerfully for the imposition of quotas on virtually all EC farm commodities as a way of guaranteeing continuing domestic production, as well as further restrictions on imports as a means of guaranteeing domestic markets .

would like to uphold the status

quo in farming no matter what it

The effort involved in winning agreement on budget stabilisers seems to have led to "battle fatigue" among some EC officials

But beyond the immediate controversies over whether price reductions or production controls are the best way of dealing with surpluses lies a more fundamen-tal problem. Sir Michael Franklin, former permanent secretary at the British Ministry of Agriculture, argues in a new book made available at the conference* that EC governments must change their policies towards agricul-

The huge increases in agricultural production - partly the result of technological advance and partly of subsidisation mean that food production in the The effort this agreement rich world is no longer a prob-involved, as several delegates lem, and therefore should no lonpointed out, seems to have led to ger be such a central preoccupa-

Sir Michael argues for a "differmight otherwise by now be Sir Michael argues for a "differ-sharpening up the EC position ent policy mix, which takes as its starting-point the needs of the The second problem area - the rural economy as a whole."

The mix, he suggests, must The mix, he suggests, must include atternative policies towards farmers which guarantee not to increase and pessentially decrease production. Such so-called "de-coupling" policies (because they remove the link between government att and production) are not popular with farmers, nor with those who lobby on their behalf. It is partly for that reason that they will conlobby on their ochair. It is parry for that reason that they will con-tinue to cause controversy, even though they might prove one of the few ways of compensating farmers for their losses if there ever is to be real liberalisation of

This brings us to the third problem area which was baraly addressed by the Munich confer-ence, but arises out of all official and semi-official deliberations on farm reform today

Dr Andy Stockel, director of the Canberra Centre for Interna-tional Economics, has published a new set of studiess which aim to show that big macro-sconomic advantages — such as additional income of \$25km for developing countries, 3m more jobs for the EC and a reduction of \$40km a year from the US budget deficit — could flow from the complete liberalisation of farm support. liberalisation of farm support

But he acknowledged at the conference that European governments, in particular, did not have the political will for such liberalisation — mainly, he believes, because the real costs of protecting agriculture are not fully appreciated, especially by those groups in society, like con-sumers, or industrialists, who would benefit from liberalisation. There is, in other words, no real political constituency for radical farm reform in Europe, which suggests that farming policy will continue to be heavily influenced by farming interests and agricul-ture ministers and that progress in Gatt will be at best quite slow

Oilseed traders say price rise could be short-lived

A STEEP rise in oilseed markets since January, hitting crushers' EEP also effectively cushions US undermine prices at a sensitive securing large regular quantities in the past week in response to profits in Continental Europe and mills from the low prices traded time for the market. Malaysian of rapeseed oil from the EC to on the export market, enabling palm oil production is rising sea-help widen its supply options. in the past week in response to reduced estimates of the US soyabean crop and carryover stocks could prove short-lived, European

Demand for oilseeds is under threat as a global crushing indus-try already working on slim mar-gins is squeezed further by

WORLD COMMODITIES PRICES

crushing subsidies.

Many European traders blame the US Export Enhancement Progam (EEP), which has been used to offer more than 700,000 tonnes of vegetable oils to cash and credfinanced from income from the coresponsibility levy (the controversial production tax on the cereals sector).

The incorporation allowance idea has already generated considerable political heat in Brusside political heat in Brusside political heat in Brusside since the formulation in the tell and a commitment to bring for
The commission's better judgment that a commitment to bring for
The and a solution the corresponding fall in the price of imported cereals substitutes. The compensate of imported cereals substitutes and that there would "undoubtedly be a corresponding fall in the price of imported cereals substitutes" to compensate of imported cereals substitutes to compensate of imported cereals substitutes. The price of imported cereals substitutes to compensate of imported cereals substitutes to compensate of imported cereals substitutes to compensate of imported cereals substitutes to some of the EEP to include sales state that the price of imported cereals substitutes to compensate on the price of imported cereals substitutes to compensate on the price of imported cereals substitutes to compensate on the price of imported cereals substitutes. The price of imported cereals substitutes to compensate on the price of imported cereals substitutes to compensate on the price of imported cereals substitutes. The price of imported ce

them to operate at better profit margins than their European 4.7m tonnes this year. counterparts.

US subsidies have been offered to traditional EC customers, spring flush of new crop soya-including India, Turkey, Morocco bean output is being aggressively

sonally and could hit a record

At the same time a record

CRUDE OIL (Light) 42,000 US palls \$/barrel

of rapeseed oil from the EC to help widen its supply options. But politics may forestall Brus-sels' temptation to match US export subsidies. Last week the EC blocked the

formation of a Gatt panel to review US claims that EC oilsect

107/2 185/4 205/0 126/4 213/0 211/6 223/5 229/5 231/2 229/5 236/0 236/6 236/0 236/6

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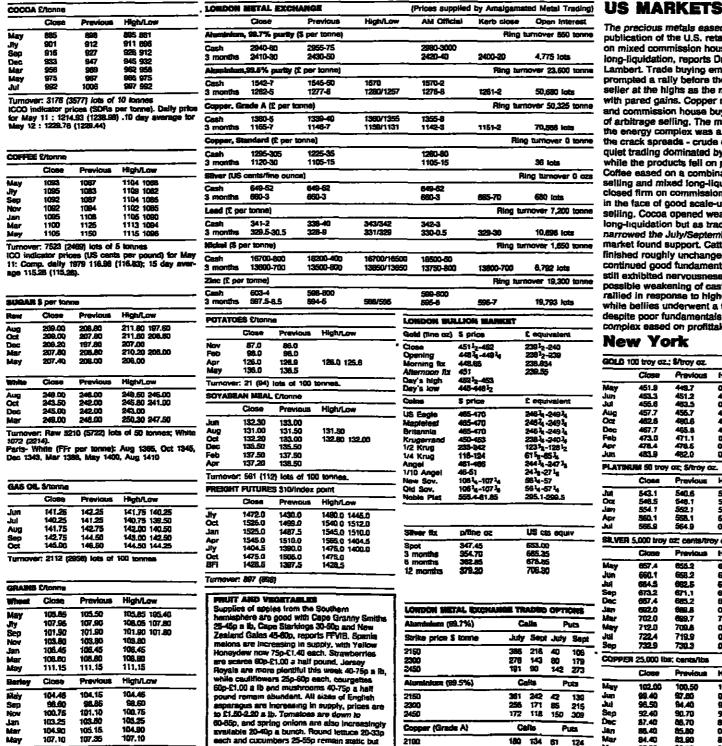
Chicago

LONDON MARKETS COCOA PRICES fell further vesterday on

the liquidation of long positions, chart-inspired selling and new short selling following the entry into the market on Wednesday by Cameroun, Nigeria and Malaysia with current and new crop sales. Prices closed above the day's ws, but the three-month position, which fell £18 a tonne on Wednesday, lost another £9 to £901 a tonne. However, West African good quality cocoas for nearby shipment remain at firm premi-because of the Ivory Coast's staunch refusal to sell warehoused stocks, deal ald. In the bullion market, gold and platinum prices advanced, responding to renewed concern South Africa may retaliate against possible US economic involve curbing shipments of precious metals, notably platinum. Meanwhile the Biffex dry cargo freight futures market rose strongly again, following a sharp

SPOT MARKETS		
Crude ell (per barrel FOS)		+ cr -
Outal Brent Blend	\$14.85-5.05t \$16.40-6.45t	-0.05 -0.10
W,T.L(1 pm est)	\$17.35-7.40t	-0.16
Oil products (NWE prompt d	elivery per lo	ne CIF) + or -
Premium Gasoline Gas OH (Soviet) Heavy Fuel Oil Naprise Petroleum Argus Estimates	\$194-196 \$142-144 \$78-78 \$165-167	-2 -1
Other		+ or -
Gold (per troy oz) Silver (per troy oz) Platinum (per troy oz) Palladium (per troy oz)	\$451 \$, 658c \$539.50 \$122.50	+2 +3 +5.25 +0.25
Aluminium (tree market) Copper (US Producer) Leed (US Producer)	\$2950 1065g-081gc 35.5c 750c	+45 +1
Nickel (free market) Tin (European tree market) Tin (Kuala Lumpur market)	€3655.0	+7.5 +0.03
Tin (New York) Zinc (Euro. Prod. Price) Zinc (US Prime Western)	322c \$1058 64c	-2
Cattle (live weight)† Sheep (dead weight)† Pige (live weight)†	112,83p 208,61p 70,16p	+0.67* -10.44* -3.29*
London daily sugar (raw) London daily sugar (white) Take and Lyle suport price		+5.4 +5.5 +3.5
Barley (English feed) Maize (US No. 3 yellow) Wheat (US Dark Northern)	£109.75 £135 £83.75	-0.25
Rubber (spot)	68.50p 72.50p	+ 1.00 + 1.00
Rubber (June) * Rubber (July) *	72.75o	+1.00
Rubber (KL RSS No 1 June		+3
Coconut oil (Philippines)§ Palm Oil (Malayslan)§ Copre (Philippines)§ Soyabeans (US)	53456 5420k 5385 £162.0	+5
Cotton "A" index Woollops (64s Super)	64.2c 673p	

Paragrad (per 100y 02)		
Aluminium (free market)	\$2990	+45
Conner (US Producer)	1065g-083gC	+1
Leed (US Producer)	35.5c	
Nickel (free market)	750c	-20
Tin (European tree market)	€3655.0	+7.5
Tin (Kuala Lumpur market)	17.43r	+0.03
Tin (New York)	322c	-2
Zinc (Euro. Prod. Price)	\$1055	
Zinc (US Prime Western)	54c	
Cattle (live weight)?	112,830	+0.67*
Sheep (dead weight)?	208.61p	-10.44*
Pigs (live weight)?	70.16p	3.29
London daily suger (raw)	\$240.5e	+54
London daily sugar (white)		+55
Take end Lyle suport price		+35
Bartey (English feed)	£109.75 £135	-0.25
Meizo (US No. 3 yellow)		
Wheat (US Dark Northern)	£93,75	
Rubber (spot)♥	68.50p	+ 1.00
Rubber (June) 🛡	72.50p	+1,00
Rubber (July)	72.750	+1.00
Rubber (KL RSS No 1 June	j320m	+3
Coconut oil (Philippines)9	\$545s	+5
Palm Oil (Malaysian)§	5420k	
Copre (Philippines)s	\$385	
Sovabeans (US)	£162.0	+0.5
Cotton "A" index	64.2c	
	673p	
Woollops (64% Super)		
E a tonne unless otherwise	stated. p-per	ce/lig.
a annually substantifich (I-C)		JUI. T-JET
- Mauthin Hilast CAMPUR	eron averadi	тавос
' chance from a Wel	K MOD. WLON	ооп рпув
ACIF FOREIGI	ım. 👄 Bulliy	m marke
close, m-Malaysian/Singapo	Ne Ceurs/kg-	
-		



60-85p, and spring onions are upon to sveriable 20-90 a burnot. Round lottuce 20-3 each and cucumbers 25-55p remain static but there are better supplies of celery 50-85p a head and chinese leaves 60-90p.

		The or	recious I	metals eas	red folio	Wina			11411000	1 MAGNET	-	- SOYAS	EANS 5.00	O bu mes; car	ntu/80lb to	<u></u>
Ring	turnover 550 tonne			the U.S. n			ميدل ألدا	17.40 17.55	17.40 17.64	17.45 17.54	17.38 17.53		Close	Previous	High/Los	_
		On mi)	ced com	mission h	ouse se	ling and	Aug	17.66	17.70	17.71	17.59	May	707/0	712/0		=
20	4,775 lots	iong-li	quidatio	n, reports	Drexel	Burnhem	Sep	17.68	17.70	17.72	17.60	Tril	71 6 /2	723/6	708/4 721/4	7
ling tu	urnover 23,600 tonne	Lambe	ert. Trad	e buying (emerged	which	Oct	17.65	17.80	17.70	17.80	Aug	722/0	729/2	72976	×
		promp	ted a ra	lly before	the trad	e turned	Nov Dec	17.66 17.63	17.67 17.68	17.66 17.66	17.57	Sep	724/4	732/2	730/0 730/4	7
2	50,680 fots	seller	at the h	ights as the	e marke	is closed	Jan	17.62	17.65	17.62	17.57 17.55	Nov	733/6	741/0	730/4	2,
ina tu	urnover 50,325 tonne					with fund	Feb	17.60	17.64	17.60	17.60	Jan Mer	742/2 750/2	750/2 758/6	747/4	7
ang m	WINOTE SUCCESSIONING	and co	mmissi	on house I	buying i	n the face	LET A TON	0.09.49.0	00 US galls,	cents/US		May	753/4	761/0	758/0 758/4	71
	79,566 lots	of arbi	itrage se	elling. The	main fe	ature in	145					لبط	754/0	780/0	758/0	7
_				mplex was				Close	Previous	High/Lo	<u> </u>	SOYAR	RAN DO G	0,000 lbs; ca		_
. A	ing tumover 0 tonne			ade - crud			Jun	47.15	47.46	47.30	46.90					_
				iominated			Jul	46.60	45.99	46.75	45.45		Close	Previous	High/Lor	•
	36 lots			ucts fell o			Aug Sep	47.95 47.7\$	47.38 47.98	47.25 47.85	48.90	May	23.38	23.63	20.74	- 2
	Ring turnover 0 czs			on a comb			Oct	48.45	48.58	48.50	47.60 48.25	Jul	23.72	23.94	2L11	2.
				l-gno! bex			Nov	49.05	46.18	49.05	49.00	Sep	23.92 24.10	24.15 24.35	243 1	2
B	680 lots			commiss			Dec	49.70	49.7B	49.70	49.40	Oct	24.22	24.52	24.52 24.60	34
Dies i	turnover 7,200 tonne			good scale		in-type	Feb Mar	49.76 48.00	49 78 48.38	49.76	49.30	Dec	24.55	24.88	24.95	3
пил	WINTER 1,200 WINE			opened w						48.40	48.00	Jan	24.50	24.90	25.03	2
_	40.000			n but as t			COCON	10 tonnes	\$/tonnes		_	- May - May	24.97	25.22	26.35	3
<u> </u>	10,696 lots	Darrow	ved the .	July/Septe	mber s	read, the		Close	Previous	High/Lo	<i>a</i>	- may Jul	25.30 25.40	25.55 25.52	25.45 23.40	2
Fling 1	turnover 1,650 tonne	marke	t tound s	support. C	attle fut	Jres	May	1555	1568	1555	1555					_
				ly unchan			كمال	1577	1590	1586	1570	- 30145	EAN MEAL	. 100 tone; \$/	Jou	
-700	8,792 lots			d fundame			Sep	1591	1679	1601	1588		Close	Previous	High∨	
ing to	urnover 19,300 tonne			nervousne			Dec	1618	1639	1630	1618	May	213.8	215.3		_
	10,000 IOIPIO	possib	le weak	ening of c	ash pric	es. Hogs	Mar May	1653 1678	1674 1689	1865	1657	أوال	211.8	213.9	215.Q 213.f	-
	19,793 lots	rallied	in resp	onse to hi	gher ça:	sh prices,	Jul	1704	1725	0	0	Aug	211.5	213.6	212.6	2
	104790	while i	bellies u	nderwent	a techn	cai rally	Sep	1725	1746	ŏ	Ď	Sep	211,7	213.8	212 8	7
KET		despite	e poor fu	ındamenta	ds. The	sоуbеал			Olbs; cents/			- Oct Dec	212.1	213.5	213.3	21
		comple	ex eased	d on profit	taking		WITE					. Jen	213.7 214.5	216.8 216.0	215.0	3
	tretavirpe 3	Nev	w Yo	rk				Close	Previous	High/Lo		Mar	215.7	217-2	215.5 213 0	3
	239 2-240	.161					May	T33.58	134,60	135.75	133.20	May	217 7	2187	210.0	ž
4	238 ¹ 2-239 238.834	GOLD 1	00 troy az	\$ \$ troy az.			الم	135,15	738,03	137.15	134.85	MAIZE	5,000 but 6	un, centu/55	h bu abad	*
	239.55			<u></u>			Sep Dec	136.47	137.21	138.25	136.30					<u>.</u>
			Close	Previous	High/La	<u>* </u>	Mar	137.59 138.10	138,73 138,76	139.75 138.40	137.55		Close	Previous	Mgh/Lo	þ.
		May	451.9	449.7	0	0	May	139,50	140.50	0	130.00	May	196/0	19740	197/2	-1
	£ equivalent	Jun Jul	453.3 455.6	451.2 453.5	454,8 0	449.8 0	_ العال	139.50	139,45	C	ŏ	Jul Sep	204/6 21 UB	2050	205/0	7
	2461,-2491,	Aug	457.7	456.7	459.0	454.9	Sep	141.00	141.50	_0	0	Dec	221/6	213/2 222/8	213/0	1
	2464 -2494	Oct	462.6	490.6	464.0	460.2	SUGAR	WORLD -	17" 172,000 (bs; cents/	ibe	Mar	230/4	231/6	223/6 231/2	-
	246 4 - 249 4	Dec	467.7	465.B	468.5	465,3		Close	Previous	High/Lo		May	236/0	23646	236.0	3
	238 4 -240 4	Feb	473.0	471.1	0	0	 -					<u> Jui</u>	238/0	239/4	230/8	ž
	123 12-128 12	Apr Jun	478.4 483.9	476.5 482.0	9	0	Jul Oct	9.25 9.30	9.17 9.28	D.33.	8.19	WHEAT	5.000 bu n	nin; sentalil)	in history	_
	61 %-65 %						Jan	9.17	9.15	9.43	9.20		Close	Propious		
	244-4-3473-	====		OZ SATOVO	-		==	9.28							High/Le	
4	244 % -247 % 24 % -27 %	PLATIN	JRM 50 troy				Mer		9.21	9.41	9.17	Bdar				_
	24 ½ -27 ½ 56 ¼ -57	PLATIN	Close	Previous	High/Lo	W	May	9.28	9.25	9.37	9.17 9.20	May	301/2	300/0	303/0	÷
•	24 Je-27 Je 56 Je-57 Je 56 Je-57 Je						May Jul	9.28 9.30	9.25 9.25	9.37 9.40	9.20 9.22	_ Nat	310/2	300/0 311/8	312/2	. 3
	24 ½ -27 ½ 56 ¼ -57	Jul	Close 543.1 548.5	Previous 540.6 548.1	High/Lo 545.5 550.0	539.5 545.0	Mity Jul Oct	9.28 9.30 9.35	9.20 9.25 9.33	9.37	9.20	Jul Sep Dec		305/g 511/8 320/8 332/2	\$19/2 . \$21/0	3
	24 Je-27 Je 56 Je-57 Je 56 Je-57 Je	Just Oct Just	Close 543.1 548.5 554.7	Previous 540.6 548.1 562.1	High/Lo 545.5 550.0 555.0	539,5 545.0 551.0	Mity Jul Oct	9.28 9.30	9.20 9.25 9.33	9.37 9.40	9.20 9.22	Jul Sep Dec Mer	310/2 313/8 329/4 335/4	303/9 311/8 320/8 332/2 339/2	312/2	2000
	241-271- 561-57 561-571- 295.1-290.5	Jul Oct Jan Apr	543.1 548.5 554.7 560.1	Previous 540.6 548.1 552.1 558.1	High/Lo 545.5 550.0 555.0 559.5	539,5 545.0 557.0 559,5	Mity Jul Oct	9.28 9.30 9.35	9.20 9.25 9.33	9.37 9.40	9.22 0	Jul Sep Dec Mer Lizy	310/2 313/6 529/4 535/4 334/0	33845 33545 33545 31148 30242	\$19/2 \$21/0 \$32/2 536/4 \$36/0	RESERVE A
	24 Je-27 Je 56 Je-57 Je 56 Je-57 Je	Jut Oct Jan Apr Jul	Close 543.1 548.5 554.7 560.1 566.9	Previous 540.6 548.1 552.1 558.1 564.9	High/Lo 545.5 550.0 555.0 659.5 0	539,5 545.0 551.0	May Jul Oct COTTO	9.28 9.30 9.35 9.50,000; c	9.20 9.25 9.33 enta/lbs	9.37 9.40 0	9.20 9.22 0	Jul Sep Dec Mer Lizy	310/2 313/6 529/4 535/4 334/0	33845 33545 33545 31148 30242	\$19/2 \$21/0 \$32/2 536/4 \$36/0	# 2 2 2 2 E
	241-271- 561-57 561-571- 295.1-290.5	Jut Oct Jan Apr Jul	Close 543.1 548.5 554.7 560.1 566.9	Previous 540.6 548.1 552.1 558.1	High/Lo 545.5 550.0 555.0 659.5 0	539,5 545.0 557.0 559,5	Miny Jul COTTO	9.28 9.30 9.35 ¥ 50,000; a	9.20 9.25 9.33 enta/lbs Previous 62.89	9.37 9.40 0 High/Los 64.55	9.20 9.22 0 62.50	Jul Sep Dec Mer Lizy	310/2 319/6 329/4 535/4 334/0 VITLE 40,0	305/0 311/8 325/8 332/2 338/2 338/0 00 fbs; cente	\$18/8 \$21/0 \$38/4 \$38/0 \$38/0	_==
<u> </u>	24 1-27 1- 55 1-57 1- 55 1-57 1- 295.1-290.5 US cts equiv 555.00 655.35	Jut Oct Jan Apr Jul	Close 543.1 548.5 554.7 560.1 566.9	Previous 540.6 548.1 552.1 558.1 564.9	High/Lo 545.5 550.0 555.0 659.5 0	530.S 545.0 551.0 559.5 0	May Jul Oct GOTTOI Jul Oct Doc	9.28 9.30 9.35 8 50,000; c Close 64.48 60.35 58.89	9.20 9.25 9.33 emis/lbs Previous 62.69 59.78 55.45	9.37 9.40 0	62.50 50.10	Sep Oec Mer May	310/2 313/6 328/4 328/4 334/0 VTTLE 40,0 Cisee	303/0 311/8 320/8 332/2 339/2 326/0 00 Rat; conte	\$18/2 \$21/0 \$32/2 \$36/4 \$36/0 #Bh/Co	_==
	241-271- 561-57 561-571- 295.1-290.5 US Cts equiv 553.00 665.25 676.65	Jut Oct Jan Apr Jul	Close 543.1 548.5 554.7 560.1 566.9 5,000 troy	Previous 540.6 648.1 552.1 558.1 564.9	High/Lo 545.5 550.0 555.0 559.5 0	\$30.\$ 545.0 545.0 551.0 550.5 0	May Jul Oct COTTO Jul Oct Doc Mar	9.28 9.30 9.35 ¥ 50,000; c Closs 64.48 60.36 58.89 59.38	9.25 9.25 9.33 9741/lbs Previous 62.89 59.78 59.45 56.95	9.37 9.40 0 High/Los 64.55 60.50 59.00 58.68	9.20 9.22 0 62.50	Jul Sep Dec Mer Lizy	310/2 319/6 329/4 536/4 334/0 VTTLE 40,0 Closes 73.58	305/0 311/8 320/8 332/2 338/2 338/0 00 Rat; conta Frevious 73.43	518/2 \$21/0 \$32/2 \$38/4 \$36/0 #Box Hughrton	_==
	24 1-27 1- 55 1-57 1- 55 1-57 1- 295.1-290.5 US cts equiv 555.00 655.35	Jul Oce Jan Apr Jul SR VER	Close 543.1 548.5 554.7 560.1 566.9 5,000 troy Close	Previous 540.6 549.1 552.1 558.1 564.9 02: cents/tre	High/Lo 545.5 550.0 555.0 559.5 0 by 6z.	530.S 545.0 551.0 559.5 0	May Jul Oct COTTO Jul Oct Doc Mar	9.28 9.30 9.35 ¥ 50,000; c Close 64.48 60.36 58.89 59.36	9.25 9.25 9.33 9766/DS Previous \$2.89 \$9.76 \$5.45 \$6.95 \$9.18	9.37 9.40 0 High/Los 64.55 60.50 59.00 58.88	52.50 57.50 57.52	Sep Dec Mar May May	310/2 319/8 529/4 536/4 334/0 Ciose 73.58 68.90	205/9 311/8 326/8 332/8 332/9 338/9 536/9 00 Shi; cents Previous 71.42 68.90	518/2 521/0 532/2 538/4 538/0 604 Highton 73.60 60 08	_==
	241-271- 561-57 561-571- 295.1-290.5 US Cts equiv 553.00 665.25 676.65	Jul Ocs July Apr Jul SR.VER May Jun Jul	Close 543.1 548.5 554.7 560.1 566.9 5,000 tray Close 657.4 660.1 664.5	Previous 540.6 540.7 552.1 552.1 554.9 622 cents/fre Previous 655.2 658.2 668.2 668.2	High/Lo 545.5 550.0 555.0 559.5 0 by 6z. High/Lo 657.0 661.0	\$30.5 545.0 551.0 551.0 550.5 0	May Jul Oct COTTO Jul Oct Doc Mar	9.28 9.30 9.35 ¥ 50,000; c Close 64.48 60.36 58.89 59.36	9.25 9.25 9.33 9741/lbs Previous 62.89 59.78 59.45 56.95	9.37 9.40 0 High/Los 64.55 60.50 59.00 58.88	52.50 57.50 57.52	Juli Sep Dec Mer May May Jun Ang Oct Dec Dec	310/2 319/6 329/4 536/4 334/0 VTTLE 40,0 Closes 73.58	310/9 311/8 326/8 336/2 336/2 336/2 336/0 00 Bar; senie Frevious 71.43 60.90 60.15	512/2 521/0 532/2 536/4 536/0 654 High/Lo 73.60 66.24	_==
	241-271- 561-57 561-571- 295.1-290.5 US Cts equiv 553.00 665.25 676.65	Juli Oct Jan Apr Juli Sil.VER Jun Jun Jun Sep	Close 543.1 548.5 554.7 560.1 565.9 5,000 troy Close 657.4 660.1 654.5 673.2	Previous 540.6 540.1 552.1 552.1 564.9 62' cents/fri Previous 655.2 658.2 671.1	High/Lo 545.5 550.0 555.0 559.5 0 by 62. High/Lo 657.0 661.0 568.0 676.5	539.5 545.0 557.0 558.5 0 657.0 658.0 668.0	May Jul Oct COTTO Jul Oct Dec Mar	9.28 9.30 9.35 V 50,000; c Close 64.48 60.36 58.89 59.38 59.50 E JUICE 15	9.25 9.25 9.33 9788/bs Previous 52.89 59.78 58.45 58.95 59.18	9.37 9.40 0 High/Lon 64.55 60.50 59.00 58.68 0	8.20 9.22 6 52.50 58.10 57.82 58.35 0	Juli Sap Dec Mer Mary May Juli Juli Aus Dec	310/2 312/6 322/4 334/0 VTTLE 40,0 Cices 73.58 68.90 68.07 68.07 68.60	31079 31178 3208 33072 33972 33970 000 Rait; conta Previous 72.49 68.90 68.70	512/2 521/0 532/2 536/4 536/0 654 Hughito 73.60 65.24 66.24 66.12	_==
	241-271- 561-57 561-571- 561-571- 295.1-290.5 US cas equiv 553.00 565.35 678.85 708.30	Jul Oct Jan Apr Jul SR.VER May Jun Jul Sep Dec	Close 543.1 548.5 554.7 560.1 565.9 5,000 troy Close 657.4 660.1 664.5 673.2 667.4	Previous 540.6 540.1 552.1 558.1 564.9 622 cents/for Previous 655.2 658.2 658.2 658.2 658.2 658.2	High/Lo 545.5 550.0 555.0 559.5 0 by 62. High/Lo 657.0 661.0 676.5 691.0	\$39.5 545.0 557.0 557.0 559.5 0 0 657.0 681.0 688.0 683.0	May Jul Oct COTTO	9.26 9.30 9.35 ¥ 50,000; c Close 64.48 60.35 58.89 59.80 59.60 E JUICE 15	9.25 9.25 9.33 9.33 97/8//bs Prévious 52.89 59.78 59.45 59.95 59.18 6,000 lbs; cer	9.37 9.40 0 High/Los 64.55 60.50 59.00 58.88 0	8.20 9.22 6 62.50 58.10 57.82 58.35 0	Jul Sup Sup Sup Mer May May May Sun Aug Oct Dee Sub Apr	310/2 313/4 328/4 334/9 ATTLE 40,0 Closes 73.58 58.99 58.20 68.07 68.80 69.90	315/9 311/9 320/3 339/2 339/2 339/0 00 Bar; cente Previous 75,49 68,70 68 15 68 26 68 70 68 80	512/2 521/0 532/2 536/4 536/0 654 High/Lo 73.60 66.24	_==
	241-2714 5614-5714 5614-5714 295.1-290.5 US cas equiv 653.00 665.25 678.85 706.30	Juli Oct Jan Apr Juli Sil.VER Jun Jun Jun Sep	Close 543.1 548.5 554.7 566.9 5,000 tray Close 657.4 660.1 654.5 673.2 687.4 682.0	Previous 540.6 540.1 540.6 540.1 562.1 563.1 564.9 622 cents/fre Previous 655.2 655.2 669.5 671.1 665.2 669.8	High/Lo 545.5 550.0 555.0 559.5 0 by 62. High/Lo 681.0 688.0 676.5 691.0	\$39.5 \$45.0 \$51.0 \$51.0 \$55.5 0 0 \$57.0 \$650.0 668.0 688.0	May Jul Oct COTTO Jul Oct Dec Mar	9.28 9.30 9.35 V 50,000; c Close 64.48 60.36 58.89 59.38 59.50 E JUICE 15	9.25 9.25 9.25 9.23 Previous 52.89 59.76 59.95 59.95 59.16 5,000 lbs; cer Previous	9.37 9.40 0 High/Lon 64.55 60.50 59.00 55.68 0 hts/fbs	8.20 9.22 6 52.50 59.10 57.82 58.35 0	Jul Sep Dec Mer May May Jun Aus Oct Dec Feb Apr	310/2 313/4 328/4 336/4 334/9 ATTLE 40,0 Ciose 73.58 68.90 69.07 49.60 69.90 69.90	200/0 31 HB 320/8 320/8 339/2 339/2 339/2 339/2 60 Bai; cente 73.43 60.80 60.15 65.82 68.75 68.80 68.75 68.80 68.75 68.80	512/2 521/2 521/2 522/2 532/4 930/0 60/4 71,60 60 63 64.24 64.25 64.25 64.24 64.25 64.24 64.25 64.24 64.25 64.24 64.25 64.26 6	_==
	241-271- 561-57 561-571- 561-571- 295.1-290.5 US cas equiv 553.00 565.35 678.85 708.30	Just Cox Just Apr Just Just Just Just Sep Dec Jer Mey	Close 543.1 548.5 554.7 550.1 555.9 5,000 troy Close 657.4 660.1 664.5 673.2 667.2 667.2 702.0	Previous 540.6 540.1 552.1 558.1 564.9 62: cents/fin Previous 655.2 658.2 658.2 671.1 665.2 669.7	High/Lo 545.5 550.0 555.0 659.5 0 by oz. High/Lo 661.0 668.0 676.5 891.0 0 701.0	\$39.5 545.0 557.0 557.0 657.0 861.0 658.0 688.0 683.0 7701.0	Miny Jul Oct COTTO	9.28 9.30 9.35 N 50,000; c Close 64.48 60.38 58.89 59.50 E JUICE 19 Close 171.90 167.70	9.25 9.25 9.33 emin/bs Previous 62.69 59.78 59.45 58.95 59.18 5.000 lbs; cec Previous 171.95 167.70	9.37 9.40 0 High/Lo 64.55 60.50 59.00 58.88 0 High/Lo 172.00 167.75	8.20 8.22 6 6 89.10 57.82 58.36 0	Jul Sep Dec Mer May May Jun Aus Oct Dec Feb Apr	310/2 313/4 328/4 336/4 334/9 ATTLE 40,0 Ciose 73.58 68.90 69.07 49.60 69.90 69.90	200/0 31 HB 320/8 320/8 339/2 339/2 339/2 339/2 60 Bai; cente 73.43 60.80 60.15 65.82 68.75 68.80 68.75 68.80 68.75 68.80	512/2 521/2 521/2 522/2 532/4 930/0 60/4 71,60 60 63 64.24 64.25 64.25 64.24 64.25 64.24 64.25 64.24 64.25 64.24 64.25 64.26 6	
	241-271- 561-577 561-571- 561-571- 295.1-290.5 US cas equiv 553.00 565.25 578.95 706.30	Jul Oct Jan Apr Jul SR.VER May Jun Jul Sep Dec	Close 543.1 548.5 554.7 566.9 5,000 tray Close 657.4 660.1 654.5 673.2 687.4 682.0	Previous 540.6 540.1 540.6 540.1 562.1 563.1 564.9 622 cents/fre Previous 655.2 655.2 669.5 671.1 665.2 669.8	High/Lo 545.5 550.0 555.0 559.5 0 by 62. High/Lo 681.0 688.0 676.5 691.0	\$30.5 545.0 557.0 \$50.5 0 657.0 658.0 688.0 9701.0	May Jul Oct COTTO	9.26 9.30 9.35 ¥ 50,000; c Glose 64.48 60.36 50.36 50.36 59.00 E AMCE 19 Close 177.90 167.79 163.20	9.20 9.25 9.23 Previous 52.89 59.78 59.45 59.95 59.16 i.000 lbs; cer Previous 171.95 167.70 163.00	9.37 9.40 0 0 64.55 59.00 58.86 0 Ma/fbe High/Lor 172.00 167.75	8.20 9.22 6 62.50 59.10 57.82 98.36 0 171.20 187.35 182.50	Jul Sep Dec Mer May May Jun Aus Oct Dec Feb Apr	310/2 319/4 529/4 536/7 334/7 Close 73.58 68.82 68.82 68.80 69.90 69.90 62.60	20079 31148 326/8 33272 338/2 338/2 338/2 338/2 00 Bat; content Frevious 73.43 68.90 68.90 68.70 68.80 68.70 68.80	519/2 521/2 521/2 536/4 536/5 664 Highto 67.80 68 68 68 41 68 41 6	
Ju	241-271-2584-571-581-577 581-571-581-571-581-581-581-581-581-581-581-581-581-58	Just Oce Jan Apr Just St.VER Just Just Just Just Just Just Just Just	Close 543.1 548.5 554.1 566.9 5,000 troy Close 657.4 660.1 644.5 673.2 667.4 682.0 712.0 712.0	Previous 540.6 540.7 540.7 552.3 558.1 564.9 622 cents/fre Previous 655.2 655.2 652.5 671.1 665.2 669.8 669.7 709.8	Highto 545.5 550.0 555.0 555.0 555.0 559.5 0 0y 02. Highto 661.0 661.0 676.5 691.0 0	\$39.5 545.0 557.0 557.0 657.0 861.0 658.0 688.0 683.0 7701.0	May Jul Cot COT701 Jul Oct Doc Mar Jul ORAMG ORAMG	9.28 9.30 9.35 V 50.000; c Close 64.48 60.36 58.36 59.	9.25 9.25 9.33 Previous 62.89 59.78 59.45 59.95 59.18 6,000 lbs; ce Previous 171.95 167.70 169.00 157.45	9.37 9.40 0 0 84.55 60.50 59.00 58.65 0 HighLor 172.00 167.75 163.39	8.20 9.22 0 52.50 59.10 57.82 58.36 0 171.20 167.35 162.80 157.50	Jun	310/2 313/4 523/4 523/4 53/4 33/4 37/1LE 40,0 Close 73.58 68.20 68.20 68.07 68.07 68.00 69.90 69.90 60.00 Close	20079 31148 32678 33272 33872 33870 00 bar; content Previous 73.49 68.90 68.70 68.80 68.70 68.80 68.70 68.80	512/2 521/2 521/2 522/2 532/4 930/0 60/4 71,60 60 63 64.24 64.25 64.25 64.24 64.25 64.24 64.25 64.24 64.25 64.24 64.25 64.26 6	
Ju:	241-271-2584-571-581-571-581-571-581-571-581-571-581-581-581-581-581-581-581-581-581-58	Juli Oct Apr Juli SR VER Jun Jun Jun Jun Jun Jun Jun Jun Jun Jun	Close 543.1 540.1 540.1 550.4 550.1 550.9 5,000 tray Glose 657.4 660.1 664.5 671.4 682.0 702.0 712.0 712.0 722.4 732.9	Previous 540.6 540.1 540.6 540.1 552.1 558.1 564.9 cz: cents/tri Previous 655.2 655.2 665.2 665.2 669.7 709.6 719.9 730.3	High/Lo 545.5 550.0 555.0 659.5 0 by 62. High/Lo 681.0 676.5 691.0 0 701.0	\$39.5 545.0 557.0 559.5 0 657.0 665.0 668.0 688.0 701.0	Miny Juli Cot COTTO	9.28 9.30 9.35 N 50,000; c Close 64.48 60.36 50.	9.20 9.25 9.33 Previous 52.89 59.78 59.45 59.85 59.18 5.000 lbs; cer Previous 171.95 167.90 157.45 154.00	9.37 9.40 0 0 64.55 59.00 58.86 0 Ma/fbe High/Lor 172.00 167.75	8.20 9.22 6 62.50 59.10 57.82 98.36 0 171.20 187.35 182.50	Sup Ood Many LIVE GI Jun Aug Ood Ood Apr Jun LIVE He	310/2 312/4 575/4 575/4 575/4 575/4 571/E 40,0 Close 73.58 58.20 59.07 59.07 59.00 69.50 69.50 69.50 69.50 69.50 69.50 69.50 69.50 69.50	200/0 31 HB 320/8 320/8 332/2 338/2 338/2 00 Bat: contact Provious 71.42 68.92 68.75 68.90 69.80 60 60.80 60 60.80 60 60.80 60 60.80 60 60.80 60 60.80 60 60 60.80 60 60 60 60 60 60 60 60 60 60 60 60 60	51976 52176 52176 53272 53674 73600 7060 706000 706000 706000 706000 706000 706000 706000 706000 706000 706000 7060000 706000 706000 706000 706000 706000 706000 706000 706000 70600000 706000 706000 706000 706000 706000 706000 706000 706000 70600000 7060000 70600000000	
Ju 38: 27(241-271-251-251-251-251-251-251-251-251-251-25	Juli Oct Apr Juli SR VER Jun Jun Jun Jun Jun Jun Jun Jun Jun Jun	Close 543.1 546.5 7 960.1 556.9 5.000 tray Glose 657.4 664.5 673.4 662.0 702.0 712.0 722.4 732.9 125.000 lb	Previous 540.6 540.1 550.1 552.1 554.9 622 cents/fre Previous 655.2 655.2 665.2 665.2 665.2 669.7 709.6 719.9 730.3	Highto 545.5 550.0 559.5 0 59 62. Highto 657.0 667.0 668.0 670.5 891.0 0	\$39.5 545.0 557.0 559.5 0 657.0 668.0 668.0 688.0 0 701.0 0	May Jul Oct COTTO	9.28 9.30 9.35 V 50.000; c Close 64.48 60.36 58.36 59.	9.25 9.25 9.33 Previous 62.89 59.78 59.45 59.95 59.18 6,000 lbs; ce Previous 171.95 167.70 169.00 157.45	9.37 9.40 0 0 High/Lo 64.55 60.50 59.00 56.68 0 High/Lo 172.00 167.75 163.30 154.80	8.20 9.22 8 62.50 89.10 57.82 58.36 0 171.20 167.35 162.80 157.50 154.20	Sup Oso Mer Juny Juny Juny Oct Sup Oct Feb Apr Juny Juny Juny Juny Juny Juny Juny Juny	310/2 312/4 523/4 53/4/7 53/4/7 53/4/7 64/2 73.55 68.20 68.2	205/9 31/8 320/8 320/8 338/2 338/2 338/2 338/2 308/9 00 bar; center 72.42 68.90 68.15 68.70 68.7	51976 \$2170 \$170 \$1544 \$15040 \$15	
Ju 38 27 19	241-271-251-251-251-251-251-251-251-251-251-25	Juli Oct Apr Juli SR VER Jun Jun Jun Jun Jun Jun Jun Jun Jun Jun	Close 543.1 540.1 540.1 550.4 550.1 550.9 5,000 tray Glose 657.4 660.1 664.5 671.4 682.0 702.0 712.0 712.0 722.4 732.9	Previous 540.6 540.1 540.6 540.1 552.1 558.1 564.9 cz: cents/tri Previous 655.2 655.2 665.2 665.2 669.7 709.6 719.9 730.3	High/Lo 545.5 550.0 555.0 659.5 0 by 62. High/Lo 681.0 676.5 691.0 0 701.0	\$39.5 545.0 557.0 559.5 0 657.0 668.0 668.0 688.0 0 701.0 0	Miny Juli Oct COTTO	9.28 9.30 9.35 V 50.000; c Close 64.48 60.36 58.36 59.36 59.36 59.36 59.36 59.36 59.36 177.00 167.70 163.20 157.85 154.95	9.20 9.25 9.33 Previous 52.89 59.78 59.45 59.85 59.18 5.000 lbs; cer Previous 171.95 167.90 157.45 154.00	9.37 9.40 0 64.55 61.50 59.00 59.88 0 Maritha High/Lor 172.00 167.75 163.30 154.60 0	8.20 9.22 6 62.50 59.10 57.82 58.36 0 171.20 167.35 162.50 157.50 154.20 0	Sup Ood Many LIVE GI Jun Aug Ood Ood Apr Jun LIVE He	310/2 313/4 323/4 33/4 33/4 33/4 33/4 31/1 31/1 31/1 3	20079 31148 32678 32678 32678 32872 32872 32870 00 fbs; contact 72.49 68.90 68.15 68.20 68.10 69.50 69.50 69.50 69.50 69.77 62.77 62.77 62.88	51979 22170 22171 33847 33847 33847 33847 33847 34129 34	
Ju 38 27 19	241-271-2584-571-584-571-584-571-299.5 US CIS equiv 685.35 678.05 708.30 FRASHS OPTIONS Calls Puts dy Sept July Sept 15 218 40 109 17 30 179 1 90 142 273 Gelts Puts	Juli Oct Jan Apr Juli SR VER May Juli Juli Juli Juli Juli Sep Dec Jan Mar May Juli Copper May	Close 543.1 540.5 554.7 560.1 560.1 560.0 Close 657.4 660.1 664.5 673.2 607.4 92.0 712.0 712.0 712.0 712.0 1 25.000 lb Close	Previous 540.6 540.7 540.7 552.1 552.1 554.9 62: cents/tn Previous 655.2 653.2 653.2 653.2 653.7 709.8 719.9 730.3 6: cents/tbs Previous	Highto 545.5 550.0 559.5 0 59 62. Highto 657.0 667.0 668.0 670.5 891.0 0	\$39.5 545.0 557.0 559.5 0 657.0 668.0 668.0 688.0 0 701.0 0	Juli Oct COTTO	9.26 9.30 9.35 V 50.000; c Close 64.48 60.36 58.36 59.36 59.36 59.36 59.36 177.90 167.70 165.85 154.95	9.25 9.25 9.33 Previous 62.89 59.78 59.45 59.95 59.18 6,000 lbs; ce Previous 171.85 167.70 169.00 157.45 154.25 154.90	9.37 9.40 0 0 64.55 60.50 59.00 58.88 0 172.00 187.75 183.30 187.90 187.90 0 0	8.20 9.22 6 62.50 59.10 57.82 58.36 0 171.20 167.35 162.90 157.50 154.20 0	Sup Ose Mer Liny Jun Aug Oct Pee Feb Apr Jun Link His Cot Ose Feb Apr Jun Link His Cot Ose Feb Apr Jun Jun Jun Jun Jun Jun Jun Jun Jun Jun	310/2 312/4 523/4 53/4/7 53/4/7 53/4/7 64/2 73.55 68.20 68.2	20079 31148 32078 32078 32078 32078 32079 33070 00 Bair content 7:149 00.10 60.15 60.15 60.10 60.10 60.10 60.10 60.20 60.20 60.20 60.20 60.20 60.20 60.20 60.20 60.20 60.20	51978 22170 22170 22170 22170 23170	
Jur 38 27 19	241-271-2581-271-2581-4-571-2581-4-571-2581-551-2581-55-55-55-578-55-708-30 TRADES OPTIONS Calls Puts dy Sept July Sept 5 218 40 108 8 143 80 179 1 90 142 273 1 242 42 130	Just Cox Jan Apr Just SR VER Sep Doc Jan Mar Mary Just Sop Coppes Sep Just Sep Doc Just Sep Just Sep Just Sep Doc Just Sep Just S	Close 543.1 546.5 554.7 556.1 556.5 556.1 556.9 5,000 tray Close 657.4 654.5 673.4 652.0 702.0 722.4 732.9 125.000 lb Close 102.00 99.40 99.40 543.1 5	Previous 540.6 540.1 540.6 540.1 562.3 558.1 564.9 622 cents/for Previous 655.2 653.2 663.2 663.2 663.2 663.2 719.9 719.9 719.9 720.3 720.3 720.0 97.80 97.80	High/Lo 545.5 550.0 555.0 659.5 0 0y oz. High/Lo 667.0 668.0 6765.0 0 0 0 0 High/Lo	\$39.5 545.0 557.0 552.5 0 657.0 658.0 688.0 0 701.0 0	Juli Oct COTTO	9.28 9.30 9.35 V 50.000; c Close 64.48 60.36 58.36 59.36 59.36 59.36 59.36 177.90 167.70 165.85 154.95	9.20 9.25 9.33 Previous 52.89 59.78 59.45 59.85 59.18 5.000 lbs; cer Previous 171.95 167.90 157.45 154.00	9.37 9.40 0 0 64.55 60.50 59.00 58.88 0 172.00 187.75 183.30 187.90 187.90 0 0	8.20 9.22 6 62.50 59.10 57.82 58.36 0 171.20 167.35 162.90 157.50 154.20 0	Sup Open Mary LIVE GI Jun Aug Open Feb Apr Jun LIVE MC LIVE MC Jun Jun Jun Jun Jun Jun Jun Jun Jun Jun	310/2 312/4 575/4 575/4 32/4/7 32/4/7 575/5 58/2 58/2 58/2 58/2 58/2 58/2 58/2 5	205/9 31/89 320/8 332/2 338/2 338/2 338/2 338/2 338/2 90.90 60.90 60.90 60.90 60.70	25.00 25.10	
38 27/ 19 36 25	241-271-2584-571-581-571-581-571-581-571-581-581-581-581-581-581-581-581-581-58	Juli Occ Jan Juli St. VER Juli Sep Juli Sep COPPER May Juli Sep Juli Sep Juli Sep Juli Sep Juli Sep Juli Sep COPPER May Juli Sep J	Close 543.1 540.5 554.7 560.1 555.9 5,000 tray Close 657.4 660.1 684.5 673.2 672.0 712.0 712.0 712.0 722.4 732.9 125.000 tb Close 102.00 99.50	Previous 540.6 540.6 540.1 550.1 552.1 554.9 622 cents/fre Previous 655.2 658.2 662.5 671.1 665.2 669.7 709.6 719.9 730.3 6: cents/ibs Previous 100.50 97.60 94.40	High/Lo 545.5 550.0 559.5 559.5 0 by oz. High/Lo 657.0 667.0 668.0 670.5 691.0 0 0 0 0 102.40 98.75	\$39.5 545.0 557.0 557.0 559.5 0 657.0 658.0 668.0 688.0 0 701.0 0 0 0	Juli Oct COTTO	9.28 9.30 9.35 V 50,000; c Close 64.48 60.36 59.36 59.36 59.36 59.36 177.70 187.70 187.70 187.80 157.85 154.95	9.25 9.25 9.33 Previous 62.09 59.78 55.45 59.18 5.000 lbs; ce Previous 171.25 167.70 169.00 157.45 154.23 154.90	9.37 9.40 0 High/Lo 64.55 60.50 58.68 0 172.00 187.75 185.30 157.80 0	8.20 9.22 8 62.50 89.10 57.82 58.35 0 171.20 187.35 182.80 157.50 175.20 9	Jun Aus Dee Feb Jun Jun Aus Cot Apr Jun Jun Aus Dee Feb Jun	310/2 313/4 523/4 53/4 53/4 53/4 53/4 61/2 61/2 61/2 61/2 61/2 61/2 61/2 61/2	20079 31148 32678 32678 32678 32678 32678 32679 00 Bas; conter 7:149 00.90 7:149 00.90 60.90 00.80 Provious 7:149 00.80 60.80 00.80 Provious 62.77 67.80 60.	51976 51176 52171 53844 53844 53846 53846 53846 53846 54886 64	
38 27/ 19 36 25	241-271-2581-271-2581-4-571-2581-4-571-2581-551-2581-55-55-55-578-55-708-30 TRADES OPTIONS Calls Puts dy Sept July Sept 5 218 40 108 8 143 80 112 113 11 11 11 11 11 11 11 11 11 11 11 11	Juli Oct Jan Apr Juli Juli Juli Sep Dec Jun Mar May Juli Sep Copper Juli Sep Jun Juli Sep	Close 543.1 540.5 554.7 560.1 560.1 560.1 560.0 Close 657.4 660.1 664.5 673.2 673.2 673.2 1 25.000 lb Close 102.00 98.40 96.50 98.40	Previous 540.6 540.6 540.7 552.1 552.1 558.1 564.9 62: Cents/fin Previous 655.2 653.2 653.2 653.2 653.2 653.2 653.3 653.2 653.3 653.2 653.3 653.	Hightle 545.5 550.0 555.0 659.5 0 oy oz. Hightle 681.0 681.0 676.5 691.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$30.5 545.0 557.0 559.5 0 657.0 891.0 658.0 688.0 688.0 0 701.0 0 0 2	Juli Oct COTTO	9.28 9.30 9.35 V 50,000; o Close 64.48 60.36 58.58 59.38 59.38 59.38 59.38 59.38 59.38 177.90 187.70 187.70 187.85 154.95 154.95 154.95	9.25 9.25 9.33 Previous 62.00 59.78 55.45 59.95 59.18 5,000 lbs; ce Previous 171.25 167.70 169.00 157.45 134.23 154.90	9.37 9.40 0 High/Lo 64.55 60.50 59.00 58.68 0 172.00 187.75 183.30 157.90 0 0	8.20 9.22 8.250 89.10 57.82 58.35 0 171.20 167.35 162.80 157.50 174.20 0	Jun Aus Dee Feb Jun Jun Aus Cot Apr Jun Jun Aus Dee Feb Jun	310/2 319/4 529/4 53/4/7 53/4/7 53/4/7 64/2 64/2 68/	205/9 31/8 320/8 320/8 338/2 338/2 338/2 338/2 338/2 338/2 98/9 98/9 98/9 98/9 98/9 98/9 98/9 9	51276 2170 2170 21874 33040 33040 33040 73.60 60 60.60 60 60 60.60 60 60 60 60 60 60 60 60 60 60 60 60 6	20 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Ju 38 27 19 36 25 17;	241-271-2584-571-581-571-581-571-581-571-581-581-581-581-581-581-581-581-581-58	Juli Cox Apr Juli St.VER May Juli Sep Dec Jan Mar May Juli Sep COPPER May Juli Sep Corperation Sep Corperation Sep Sep Sep Sec Sep Sep Sec Sep	Close 543.1 540.5 554.7 550.1 550.1 550.1 550.9 5,000 troy Close 657.4 650.4 650.4 650.4 650.7 712.0 7	Previous 540.6 540.6 540.7 550.1 550.2 558.1 564.9 622 contra/for Previous 655.2 653.2 663.2 663.2 663.2 719.9 719.9 719.9 720.3 720.3 720.3 720.0 94.40 90.70 96.70	High/Lo 545.5 550.0 559.5 559.5 0 by oz. High/Lo 657.0 667.0 668.0 670.5 691.0 0 0 0 0 102.40 98.75	\$39.5 545.0 557.0 557.0 559.5 0 657.0 658.0 668.0 688.0 0 701.0 0 0 0	May Jul Jul Oct COTTO	9.28 9.30 9.35 V 50.000; c Close 64.48 60.36 58.36 59.36 59.36 59.36 771.00 167.70 163.20 157.85 154.95 154.95 154.95	9.25 9.25 9.33 Previous 62.89 59.78 59.45 59.95 59.18 6,000 lbs; ce Previous 171.95 167.70 169.00 154.90 154.90 154.90 1786.2	9.37 9.40 0 0 64.55 60.50 59.00 58.85 0 172.00 187.75 163.30 187.90 187.90 0 0	8.20 9.22 6 62.50 59.10 57.82 58.35 0 171.20 187.35 162.80 157.50 154.20 0	Jun	310/2 313/4 523/4 53/4 53/4 53/4 53/4 61/2 61/2 61/2 61/2 61/2 61/2 61/2 61/2	20079 31148 32678 32678 32678 32678 32679 32679 00 Bar, content 72.49 00.90 60.15 60.80	51976 51176 52171 53844 53844 53846 53846 53846 53846 54886 64	20 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
38 27/ 19 36 25 177	241-271-2584-571-581-571-581-571-581-571-581-571-581-581-581-581-581-581-581-581-581-58	Juli Oct Jan Apr Juli Juli Juli Sep Dec Jun Mar May Juli Sep Copper Juli Sep Jun Juli Sep	Close 543.1 540.5 554.7 560.1 560.1 560.1 560.0 Close 657.4 660.1 664.5 673.2 667.4 682.0 712.0 712.0 712.0 712.0 125.000 lb Close 102.00 96.50 96.40	Previous 540.6 540.6 540.7 552.1 552.1 558.1 564.9 62: Cents/fin Previous 655.2 653.2 653.2 653.2 653.2 653.2 653.3 653.2 653.3 653.2 653.3 653.	High/Lo 545.5 550.0 555.0 659.5 0 657.0 667.0 667.0 668.0 676.5 691.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$30.5 545.0 557.0 559.5 0 657.0 891.0 658.0 688.0 688.0 0 701.0 0 0 2	May Jul Jul Oct COTTO	9.28 9.30 9.35 V 50.000; c Close 64.48 60.36 58.36 59.36 59.36 59.36 771.00 167.70 163.20 157.85 154.95 154.95 154.95	9.25 9.25 9.33 Previous 62.89 59.78 59.45 59.95 59.18 6,000 lbs; ce Previous 171.95 167.70 169.00 154.90 154.90 154.90 1786.2	9.37 9.40 0 0 64.55 60.50 59.00 58.85 0 172.00 187.75 163.30 187.90 187.90 0 0	8.20 9.22 6 62.50 59.10 57.82 58.35 0 171.20 187.35 162.80 157.50 154.20 0	Jun Aug Oct Dee Feb Jun Jun Aug Oct Dee Feb Jun Jun Aug Jun	310/2 319/4 319/4 324/4 324/7 324/7 324/7 324/7 324/7 324/7 324/7 38.20 69.20 60 60 60 60 60 60 60 60 60 60 60 60	20079 31148 32678 32678 32678 32678 32679 32679 00 Bar, content 72.49 00.90 60.15 60.80	51270 51270 51370	(1) 10 10 10 10 10 10 10 10 10 10 10 10 10
Ju 38 27 19 36 29 17	241-271-2584-571-581-577-581-571-581-571-581-571-581-581-581-581-581-581-581-581-581-58	Juli Cox Apr Juli St.VER May Juli Sep Doc Jan May Juli Sep Copper Jun Jun Juli Sep May May May May	Close 543.1 540.5 554.7 550.1 550.1 550.1 550.9 5,000 tray Close 657.4 654.5 673.4 682.0 712.0 7	Previous 540.6 540.6 540.7 550.1 550.2 558.1 564.9 622 contartor Previous 655.2 658.2 658.2 669.5 671.1 665.2 669.8 699.7 709.8 719.9 719.9 730.3 62 centaritis 100.50 94.40 90.70 65.80 83.80 83.80	High/Lo 545.5 550.0 555.0 659.5 0 by oz. High/Lo 667.0 667.0 6691.0 0 701.0 0 90.701.0 0 90.75 92.75 92.75	\$39.5 545.0 557.0 557.0 559.5 0 657.0 658.0 688.0 688.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	May Jul Oct COTTO	9.28 9.30 9.35 V 50.000; c Close 64.48 60.36 58.36 59.36 59.36 59.36 771.00 167.70 163.20 157.85 154.95 154.95 154.95	9.25 9.25 9.23 9.23 Previous 62.00 59.78 55.45 59.95 59.18 5,000 lbs; ce Previous 171.25 167.70 169.00 157.45 134.23 154.90 154.90 1786.2	9.37 9.40 0 High/Lo 64.55 60.50 59.00 58.68 0 172.00 187.75 187.90 0 0 18 1931 - menth age 1731.8 er 31 1974	8.20 9.22 8.250 89.10 57.82 58.36 0 171.20 167.35 162.90 157.35 162.90 0 100) 100) 100)	Sup Open Many LIVE GI Jun Aug Open Sub Apr Jun Jun Jun Jun Jun Jun Jun Jun Jun Jun	310/2 319/4 575/4 575/4 575/4 574/5	205/0 311/8 325/8 332/2 339/2 339/2 339/2 339/2 339/2 90.00 60.00	51276 2170 2170 21874 33040 33040 33040 73.60 60 60.60 60 60 60.60 60 60 60 60 60 60 60 60 60 60 60 60 6	(1) 10 10 10 10 10 10 10 10 10 10 10 10 10
36 27/ 19 36 29 17:	241-271-2564-571-5564-571-45564-571-4555-5564-571-2565.55 US cts equiv 553.00 655.35 678.85 706.30 FRADES OPTIONS Calls Puts 6218-40 109 8 143 80 179 1 90 142 273 Calls Puts 1 242 42 130 6 171 85 215 2 118 150 308 Calls Puts 0 134 51 124	Juli Cox Jan Juli Sil VER Juli Sil VER Juli Sep Dec Jan Mar May Jun	Close 543.1 540.5 554.7 550.1 550.1 550.0 broy Close 657.4 660.1 634.5 673.2 657.4 712.0	Previous 540.6 540.6 540.1 550.1 552.1 558.1 564.9 62: cents/fin 655.2 658.2 658.2 658.2 658.2 669.7 709.8 719.9 730.3 6: cents/fits 609.7 60.50 97.80 90.70 85.80 82.90 82.90 82.90 82.90 82.90 82.90	High/Lo 545.5 550.0 555.0 659.5 0 by oz. High/Lo 661.0 668.0 676.5 691.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$39.5 545.0 557.0 559.5 0 657.0 861.0 658.0 668.0 683.0 0 701.0 0 0 2 33.75 89.80 0 83.80 0	May Jul Oct COTTON Jul Oct COTTON GRANG ORANG Sep Nov May Jan Mar May Dow Spot Spot Spot Spot Spot Spot Spot Spot	9.28 9.30 9.35 9.35 9.35 9.35 9.35 9.35 9.35 9.36 59.36 59.38 59.00 177.90 167.70 163.20 157.85 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95	9.25 9.25 9.23 Previous 62.89 59.78 59.45 59.95 59.18 1,000 lbs; ce Previous 171.95 167.70 169.00 157.45 154.90 154.90 154.90	9.37 9.40 0 High/Lor 64.55 60.50 59.00 58.68 0 High/Lor 172.00 187.75 187.90 187.90 0 0 0 0 18 1831 = mnth ago 1731.8 er 31 1974	8.20 9.22 6 62.50 59.10 57.82 58.35 0 171.20 187.35 162.80 157.35 162.80 0 1000 174.20 0 159.35 154.20 0 159.35 159.35 159.35 159.35 159.35 159.35	Jun Aug Jun Jun Aug LIME Al LI	310/2 319/4 319/4 33/40 33/40 Close 73.58 88.90 69.90 60 60 60 60 60 60 60 60 60 60 60 60 60	20079 31148 3268 3268 3268 32672 32872 32872 32870 00 Bar; center Previous 72.49 68.90 68.10 68.10 68.10 69.	5127 5127 5127 5127 5134 5134 5134 5134 5134 5134 5134 5134 5134 5134 5134 6135	
36 27/ 19 36 29 17:	241-271-2581-271-2581-571-581-4-571-2581-571-581-4-571-2581-581-581-581-581-581-581-581-581-581-	Juli Cox Apr Juli St.VER May Juli Sep Doc Jan May Juli Sep Copper Jun Jun Juli Sep May May May May	Close 543.1 540.5 554.7 550.1 550.1 550.1 550.9 5,000 tray Close 657.4 654.5 673.4 682.0 712.0 7	Previous 540.6 540.6 540.1 550.1 552.1 558.1 564.9 62: contartor Previous 655.2 653.2 653.2 663.2 663.2 719.9 719.9 719.9 719.9 719.9 719.9 91.60 91.70 65.70 65.80 83.80 83.80	High/Lo 545.5 550.0 555.0 659.5 0 by oz. High/Lo 667.0 667.0 6691.0 0 701.0 0 0 102.40 0 98.75 92.75 92.70 0 85.10 0	\$39.5 545.0 557.0 557.0 553.5 0 657.0 658.0 688.0 688.0 0 701.0 0 0 0 2 33.75 89.80 0 83.80	May Jul Oct COTTO	9.28 9.30 9.35 9.35 9.35 9.35 9.35 9.35 9.35 9.36 59.36 59.38 59.00 177.90 167.70 163.20 157.85 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95	9.25 9.25 9.23 9.23 Previous 62.00 59.78 55.45 59.95 59.18 5,000 lbs; ce Previous 171.25 167.70 169.00 157.45 134.23 154.90 154.90 1786.2	9.37 9.40 0 High/Lo 64.55 60.50 59.00 58.68 0 172.00 187.75 187.90 0 0 18 1931 - menth age 1731.8 er 31 1974	8.20 9.22 8.250 89.10 57.82 58.36 0 171.20 167.35 162.90 157.35 162.90 0 100) 100) 100)	Jun Aus Dee Feb Poritt Poritt Jun Aug Jun Aug Jun Aug Poritt Aug Poritt Aug Poritt Aug Feb Poritt Aug Feb	310/2 319/4 329/4 324/7 324/7 324/7 324/7 324/7 324/7 324/7 324/7 328/8 38.20 69.20 69.50	20079 31148 32078 32148 32078 32078 32078 32079	519/7 5	1000 1000 1000 1000 1000 1000 1000 100
36 27/ 19 36 29 17:	241-271-2581-271-2581-571-581-4-571-2581-571-581-4-571-2581-581-581-581-581-581-581-581-581-581-	Juli Cox Jan Juli Sil VER Juli Sil VER Juli Sep Dec Jan Mar May Jun	Close 543.1 540.5 554.7 550.1 550.1 550.0 broy Close 657.4 660.1 634.5 673.2 657.4 712.0	Previous 540.6 540.6 540.1 550.1 552.1 558.1 564.9 62: cents/fin 655.2 658.2 658.2 658.2 658.2 669.7 709.8 719.9 730.3 6: cents/fits 609.7 60.50 97.80 90.70 85.80 82.90 82.90 82.90 82.90 82.90 82.90	High/Lo 545.5 550.0 555.0 659.5 0 by oz. High/Lo 661.0 668.0 676.5 691.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$39.5 545.0 557.0 559.5 0 657.0 861.0 658.0 668.0 683.0 0 701.0 0 0 2 33.75 89.80 0 83.80 0	May Jul Oct COTTON Jul Oct COTTON GRANG ORANG Sep Nov May Jan Mar May Dow Spot Spot Spot Spot Spot Spot Spot Spot	9.28 9.30 9.35 9.35 9.35 9.35 9.35 9.35 9.35 9.36 59.36 59.38 59.00 177.90 167.70 163.20 157.85 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95 154.95	9.25 9.25 9.23 Previous 62.89 59.78 59.45 59.95 59.18 1,000 lbs; ce Previous 171.95 167.70 169.00 157.45 154.90 154.90 154.90	9.37 9.40 0 High/Lor 64.55 60.50 59.00 58.68 0 High/Lor 172.00 187.75 187.90 187.90 0 0 0 0 18 1831 = mnth ago 1731.8 er 31 1974	8.20 9.22 6 62.50 59.10 57.82 58.35 0 171.20 187.35 162.80 157.35 162.80 0 1000 174.20 0 159.35 154.20 0 159.35 159.35 159.35 159.35 159.35 159.35	Jun Aug Jun Jun Aug LIME Al LI	310/2 319/4 319/4 33/40 33/40 Close 73.58 88.90 69.90 60 60 60 60 60 60 60 60 60 60 60 60 60	20079 31148 3268 3268 3268 32672 32872 32872 32870 00 Bar; center Previous 72.49 68.90 68.10 68.10 68.10 69.	5127 5127 5127 5127 5134 5134 5134 5134 5134 5134 5134 5134 5134 5134 5134 6135	1000 1000 1000 1000 1000 1000 1000 100

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

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Dollar quiet but nervous

THE DOLLAR finished below the ahead of the 30-year US bond aucliar it slipped to \$1.8850 from day's highs in currency markets tion, due after the close of busi-yesterday. Investors were still ness in London. The dollar closed JAPANESE YEN-Trading unsettled by Wednesday's rise in at DML6790 from DML6775 and range against the dollar in 1988 US primes rates. While higher rates added to the dollar's attraction, there was concern about the SFr1.3955 from SFr1.1935 and 246.2 against 228.2 six months

possible effect on equities.

Dealers pointed out that last Bank of England figures, the dolSeptember's rise in the US discount rate had been seen as part
of the reason for October's of the reason for October's crash

Mr C. William Verity, US Commerce Secretary, when he claimed that the recent rise in US interest rates did not reflect a major trend. This encouraged a the day's highs, recovering early few traders to reduce their dollar losses largely at the expense of a holdings. Earlier a statement by Mr Wayne Angell, US Federal Reserve Board Governor, had suggested that the current course

of the economy did not call for drastic action on interest rates. News of a 0.6 p.c. decline in US retail sales in April failed to have any effect on trading. The decline was at odds with most projec-tions, which centred on a flat figare, and should have helped sen-timent by reducing fears of a further rise in imports. However the March figure was revised up sharply to a 1.7 p.c. increase from 0.8 p.c. previously reported. The dollar remained within a

The dollar remained within a relatively narrow range, reflecting a lack of incentive to take out fresh positions. Dealers were also wary because of today's release of Japanese trade figures for April and next Tuesday US trade data for March.

There were also a few nerves

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May 12	Letes	. 1	Previous Close		
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CURRENCY RATES

May 12	į.	Ordening 18 gals	Carriery Unit
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URRENCY MOVEMENTS						
May 12	Back of England Index	Marque ** Country Changes %				
Sing Dollar Bollar Boll	78.7 92.6 81.4 13.1 130.2 140.5 137.5 137.5 145.2 246.2	-144 -144 -524 -521 -521 -521 -521 -521 -521 -522 -521 -522 -523 -522 -523 -523 -524 -523 -524 -524 -525 -525 -525 -525 -525 -525				

| Margan Ginternty charges: decraps 1980-1982-100. Right of Empland lodge (Chart Autrage 1975-100)**Rates yn far Mily 11

OTHER CURRENCIES

MONEY MARKETS

Quiet but nervous

TRADING CONDITIONS were quiet, but pervous on the London money market yesterday. Three month interbenk was unchanged at 8%-8% p.c., with dealers continuing to pender the next move in bank base rates.

The strength of sterling means that a cut id 7% p.c. in base rates cannot be completely ruled out, even though market sentiment over the last week or so has pointed towards a rise in rates.

The market generally believes

US banks to lift their prime rates on Wednesday.

Discount houses in London remained willing sellers of longer dated paper yesterday, suggesting that a rise in base rates is regarded as the most likely next move.

The Bank of England initially forecast a money market shortage of \$700m, but revised this to \$800m at noon, and to \$850m in the afternoon Total help of \$857m was provided.

(ing back base landing cale Stee April 17

STERLING-Trading range in share prices.

However the only movement of 1.9050 to 1.7400. April average the day came after comments by 1.8776. Exchange rate index 78.7 dust 78.5 at the opening and 78.7 on Thursday. The six months ago figure was 75.3. The pound finished towards

losses largely at the expense of a weaker dollar. Trading volume was restricted to some extent by the closure of most European centres for Ascension Day.

There was no concerted attempt to push starting higher against the D-Mark, and it finished unchanged at DM3.1650. It was also unchanged against the Swiss frame at SF2.6300. Against Tokyo, suggesting that there the year it closed at V224.25 from the yen it closed at Y234.25 from were no plans to increase Japa-Y234.50 and FFr10.7350 compared nese interest rates appeared to with FFr10.7375. Against the doi-have little effect.

3M3 EURVPEAN CURRENCY UNII RAIES									
	Ecu central sates	· Carrency associates against. Eco. May II	% cleage (mat castral pate	% change adjusted for divergence	Ohengen Unit %				
elatan Franc auksh Krone grasen D-Mark mech Franc mech Guilder lata Pont atlan Liva	42,4582 7,85212 2,8583 6,90403 2,31,943 0,768411 1483,58	43,4625 7,96990 2,07750 7,05263 2,32940 8,777853 1547,25	42.57 +1.49 +0.92 +2.15 +0.05 +1.23 +4.29	+1.97 +0.09 +0.48 +0.75 +0.75 +0.17 +0.12	±1.534 ±1.540 ±1.098 ±1.367 ±1.501 ±1.668 ±4.075				

angs ar t dustant, c	usings are for Ess, therefore profiles charge denotes a west currency fluctuous, calculated by Figure 11 Times.									
OUND SPOT- FORWARD AGAINST THE POUND										
May 12	Spread spread	Clage	Date month	P.A.	Three months	% p.a.				
edes gae striz strzeriand	18790-18860 23111-2325 354-355, 65.9-66, 35 2133-1218 2133-1218 2152-11870 2153-2185 226-2256 226-2256 226-2256 226-2256 226-2256 226-2256 226-2256 226-2256 226-2256 226-2256 226-2256 226-226 226-226 226-226 226-226	1895 - 1895 2375 - 2325 3544 - 3354 66.10 - 66.20 12,164 - 12,174 11850 - 11860 2820 - 2920 2055 - 2265 1164 - 1162 11094 - 11104 233 - 234 233 - 224 2625 - 2265 2625 - 2263	0.10-0.07cm 0.15-0.25cds 1-1-1-2cm 1-1-4ccm 1-1-4ccm 1-1-1-4ccm 10-100cds 10-12-00cd 4-6-1-6ccm 10-12-00cd 10-	0.18 -1.06 -3.81 -1.66 -0.85 -4.74 -2.74 -2.74 -5.42 -2.74 -5.42 -2.91 -4.16 -4.14 -5.99	0.36-0.33cm 0.45-0.33cm 34-33cm 44-33cm 35-55-66 0.20-0.35cm 102-235cm 102-235cm 104-135-66 104-135	0.71 -0.89 4.02 -0.93 -3.57 -1.61 -2.23 -0.11 -2.37 4.29 5.70				
gam rate is	comertible francs. I	Financial franc 66.10	-66.20 . Siz-exontle	forward d	olier 0.86-0.81cpen 1	2 months				

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR 18790 - 18860 15865 - 15900 12285 - 12330 18820 - 18875 3505 - 3525

300-326 8/A 16/75-1965 1971-198 111.65-1223 1264-12234 8/A 12/5-124.79 114-124.79 118-124.79 119-124.79

EURO-CURRENCY INTEREST RATES

Nay.12	Short.	7 Days motice	Moseb	Three Months	Stx Months	Öge Year
oder Doller Doller Holler Filder Fild	71-7 71-7 81-81 433 213-2 71-74 1653 61-53 51-34 71-72	7.7.7 7.7.7 8.4.4 2.1.4.10 2.7.7.10 6.5.3.1 9.7.7.1	8-73-74-84-84-24-34-34-34-34-34-34-34-34-34-34-34-34-34	8,475,75,75,75,75,75,75,75,75,75,75,75,75,7	87-7-24 87-7-24 97-7-24 24-2-31 91-3-3-4 91-3-4-1 97-3-7-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3-3 97-3-3-3-3-3 97-3-3-3-3-3 97-3-3-3-3-3 97-3-3-3-3-3 97-3-3-3-3-3 97-3-3-3-3-3 97-3-3-3-3 97-3-3-3-3 97-3-3-3-3 97-3-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3-3-3 97-3 97	94.85. 94.85. 94.45. 94.45. 94.45. 94.45. 94.45. 94.45. 94.85.

EXCHANGE CROSS RATES

M#-75	J. 5	\$	DAR I	Yes	F Fr.	S Fr.	8 F).	Ura	c s	BA
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DAI	8.336	0.5%	i	74.03	3.393	0.831	1121	744.4	0.733	20.9
YEN	4.268	8.045	13.51	1000	45.84	11.22	1514	10055		282
F Fr.	0,931	翝	2.947	218.2	10.	2.449	3.304	2194	2.160	81.9
S Fc.	0,360		1.205	89.09	4.084]	1.349	86.8	0.882	25.1
RFL	0.282	0.531	0.892	66.04	鑦	0.741]	664.0	0.654	18.6
URA	0.424	0.200	1.343	99.45		1.115	1.506	1000.	0.985	28.0
C S	0.451 1.512	0.803 2.650	1364 4,785	101.0 154.2	4,629 16.24	號	1,529 5,364	1016 752	1 3 <i>5</i> 07	28.5 100.

FT LONDON INTERBANK FIXING

01.00 am. Nay.12	3 months US dollars	6 mortis	US Dollars
MS 74	ofter 7.2	bid 78	offer 713
int rates are the aritist parties to first reserves	netic manns manded to the man e banks at 11,00 a.m. each our	es one-sixteenth, of the bid and ting day. The banks are Razion	offered rates for \$10m per all Westenbaster Bank, Ban

MONEY RATES

Before lunch the authorities bought £752m bills outright, by way of £4m local authority bills in band 3 at 7% p.c.; £71m bank bills in band 3 at 7% p.c.; £3m local authority bills in band 4 at 7% p.c.; and 2874m bank hills in

DG 4 81 7% D.C.
in the afternoon the Bank of
igland bought another £85m
is outright, through £75m bank
ls in band 3 at 7% p.c.; 23m
al authority bills in band 4 at
p.c.; and 27m bank hills in
nd 4 at 7% p.c.
Late assistance of around £20m
n also provided.

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FINANCIAL FUTURES

An encouraging performance

Higher US interest rates helped the dollar to move firmer in Tokyo, but selling pressure at the higher levels eventually reversed the trend. The undertone remained nervous, as investors viewed with some concern, LIFFE LANG EDLY FICTURES OFFICEN recent signs that inflation may start to rise.

The dollar closed at Y124.40 compared with Y124.45 in New York and Y124.25 in Tokyo on Wednesday. Investors were now looking to see if the US Federal authorities would continue to maintain a firmer monetary

JAPANESE YEN-Trading

Previous d	volume to ay s open i	tal, Calis ! int. Calis !	9509 Puts 17647 Put	33508 s 40504
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PHILADELPHIA SZ 5/5 OPTIBRI 512,500 (sents per 51)

tionated volume total, Calls 10 Pers 0 erious day's open let. Calls 464 Pers 169

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A FINANCIAL TIMES CONFERENCE

World Pub & Paper

Conference

Hotel Inter Continental

London 6&7 June, 1988

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Mr Sc Berggren

Mr Red Cavaney

Mr Luis Deslandes

Mr David Clark

Mr John B Fery

Mr Bruce Kirk

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Mr Jorge Núñez Mr George S Petty

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Dr Hartwig Geginat Mr Francisco Gros

Mr Jacques Calloud

Estimated Volume 659(598) Previous day's open int. 613(596)

43 40 97	Est. Vol. (les., figs. not shown) 6155(15257) Previous (kry's open int. 31263(31612)									
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55 13 45 59 18 18	Jan Sep Dec	Clese 175.80 177.10	High 176.70 177.50	175.50 177.00	Pres. 174.55 175.85					
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_	THREE ME	of 100%	HLAR							
_	Jyp Seo	Close 92.36 91.91	High 92.40 91.93	Low 92.32 91.84	Pres. 92.34 91.90					
ė	Dec Mar	91.60 91.40	91.61 91.42	91.56 91.38	91.59 91.39					

Est. Vol. (linc. figs. not shown) 5034(15589) Previous day's open Int. 36015(34831)

CURRENCY FUTURES

LIFFE-STERLING £25,000 \$ per f

High Low Pres. 3 1.8819 1.8766 1.8949 1.8903 1.8758 Estimated Volume 24(0) Previous day's open int. 154(154) POUND-S (FÜLEISK EXCHANGE) 1-mth. 3-orth. 6-orth. 12-orth. 18842 18817 18767 1868

Latest High Low Pres 18835 18855 18790 18805 18800 18814 18740 1875 18720 18720 18690 1848

EI MAIES	•			_		
V YORK httime) ste ogerste	. 9 1 . 84 5	he month		5.69 Time 5.97 Four; 6.43 Fivry 6.76 Seven	704 124 744	839 855 887
May.12	Decratighe	Cine Month	Two Mostles	Three Months	Six Nonzis	Londard interestion
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before the authorities would consider amother/cut in best rates, and £874m bank bills in band 4 at 7% p.c.; and £874m bank bills in band 4 at 7% p.c. and £874m bank bills in band 4 at 7% p.c. and £874m bank bills in band 4 at 7% p.c. and £874m bank bills in band 4 at 7% p.c. and £874m bank bills in the afternoon the Bank of England bought another £85m bills outright, through £75m bank bills in band 3 at 7% p.c.; £3m bills outright through £75m bank bills in band 4 at rates by the Group of Seven. The market's reaction to his comments with share prices falling and interest rates rising appears to have been overdone, but the general trend in world rates is now seen as upwards. In New York the Federal funds the bast unguith or 80, and sike-up of Treasury bills drained £331m, with the last unguith or 80, and sike-up of Treasury bills drained £331m, with the federal Reserve. This prompted		bills in band 3 at 7% p.c. 58m	FOUNDALL WAL	THI INTE					i i
and that any such move would be temporary. In the sitemoon the Sank of temporary. Bir Nigel Lawson, The Chancellor, spoke about the possibility of long, spoke about the possibility of a co-ordinated rise in interest rates by the Group of Seven. The market's reaction to his comments - with share prices falling and interest rates rising - appears to have been overdone, but the general trend in world rates is now seen as upwards. In New York the Federal funds rates is now seen as upwards. In New York the Federal funds rates is now seen as upwards. In New York the Federal funds rates is now seen as upwards. In New York the Federal funds rates is now seen as upwards. In New York the Federal funds rates is now seen as upwards. In New York the Federal funds rates is now seen as upwards. In New York the Federal funds rates drained seen of repurchase agreements of last assistance of seven that the last month or so, smid signs of tighter credit policy by the	that sterling must rise to DM\$20 before the authorities would con-	7% p.c.; and 2674m bank bills m	May 12	Oversight	7 days	(fre Month			Goe Year
	sider another/cut in base rates, and that any such move would be temporary. Mr Nigel Lawson, The Chancellor, spoke about the possibility of a co-ordinated rise in interest rates by the Group of Seven. The market's reaction to his comments - with share prices allowant in the base rowerdone, but the general trend in world rates is now seen as upwards. In New York the Federal funds rate has firmed about % point in the last month or so, amid signs of tighter credit policy by the	hand 4 at 7% p.c. In the afternoon the Bank of England bought another £85m hills outright, through £75m hank bills in band 3 at 7% p.c.; £3m local authority bills in band 4 at 7% p.c.; and £7m bank hills in band 4 at 7% p.c.; and £7m bank hills in band 4 at 7% p.c. Late assistance of around £20m was also provided. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury hills drained £331m, with the unwinding of repurchase agreements on bills absorbing £28m, a rise in the note circulation £50m,	Interchant Bild Surfing CDs. Local Authority Dess. Local Authority Dess. Local Authority Dess. Local Buthority Bests Despent Bild Dess Tressery Dessits Tressery Billis Gegi Tres	a-month 7t, po 7 7 Treasary Sile; 1.29, 1988, is 1.29, 1988, is Reference rate is for same 31, see der one month	714 67 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	718 778 778 778 778 814 778 814 778 814 715 710 518 614 614 614 614 615 615 615 615 615 615 615 615 615 615	84, 84, 84, 84, 75, 84, 75, 740-73, 75, 740-73, 75, 740-73, 75, 75, 75, 75, 75, 75, 75, 75, 75, 75	STI	91 91 91 91 91 91 91 91 91 91 91 91 91 9

tracts held up well on the London created a bearish undertone, futures market yesterday. Traders in London suggested that ers appeared to be generally content with the performance of the are probably running short positions, and short sterling content with the performance content are probably running short positions, and short sterling content are probably running short positions, and short sterling content are probably running short positions, and short sterling content are probably running short positions.

tracts.

The main factors likely to affect trading today will be last night's US Treasury 30-year bond auction, and publication of the Bank of England Quarterly Bulletin Dealers had believed that stops tracts.

Dear squeeze.

An indication that the gilt market is probably short came on Wednesday, when the June long gilt fell to a low of 119-17, without triggering stop loss selling.

Dealers had believed that stops tracts.

tin.

Dealers had believed that stops a sharp upward revision in the
While recent events, including were likely to be triggered at March figure to a rise of 1.7 p.c.

Sep 533 60 132 218 322 445 619	Strike Price 14000 16500 17000 17500 18000 18500 19000	Carls-ses May 1580 1086 627 275 83 16	Jen 1622 1188 813 515 299 159 77	Pris-te May 0 6 47 195 503 936 1422	Jun 42 108 233 435 719 1079 1497
14 69	Estimated Previous d	volume to lay's open		0 Puts 0 113 Puts 1	101
	LIFYE SE	ORT STEE	1 trus		

yesterday, but this was the day's low. The contract rose to 120-04

at the close, from 120-02 on

Wednesday. A 0.6 p.c. fall in US retail sales

for April provided little comfort for US Treasury bond futures.

Traders were more concerned by

83-01 82-16 81-29 92.73

CORPORATION U.S. DOLLARS 30,000,000.-Floating Rate Notes Due 1990 (Coupon No.7)

TRANSAMERICA

Pursuant to notice conditions, notice is hereby given that for the interest period from 13th May 1988 to 14th Nov 1988 an interest rate of 81/4 pet per annum will apply.

Amount per coupon = U.S. Dlrs 2,087.67 Payable on 14 Nov 1988

Reference Agent: The Long-Term Credit Bank of Japan, Ltd.,

Loudon Branch

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Leading international investment group based in the City requires a Senior Bond Trader to establish basis trading strategies for gilts and french francs. Candidates must have minimum 7 years' relevant experience ideally gained in U.S. environment in international bond and stock markets to include knowledge of financial futures/options and cash/futures arbitrage. Preferred age mid 30's. Education to MBA standard. Registration with NYSE. Salary negotiable. Please write enclosing curriculum vitae, in strictest confidence.

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The Financial Times proposes to publish this survey on:

7th JUNE 1988

CLARE REED on 01-248 8800 ext 3365

10 Cannon Street **FINANCIAL TIMES**

I.G INDEX LTD. 9-11 GROSVENOR GARDENS, LONDON SW1W OBD Tel: 01-828 7233/5699 Reuters Code: IGIN, IGIO

FT 30 FTSE 100 May 1401/1413 +17 | May. 1752/1764 +22 Jun. 1402/1414 +14 | Jun. 1754/1766 +19

Prices taken at 5pm and change is from previous close at 9pm

This notice is issued in compliance with the requirements of the Council of The Stock Exchange,

Issue of up to £57,516,742 nominal of 7.25 per cent. Convertible Unsecured Loan Stock 2003 in

THE FIFTH THROGMORTON

COMPANY PLC (Incorporated in England No. 2196894)

convertible into Ordinary Shares of 25p each in

THE THROGMORTON TRUST PLC

(Incorporated in England No. 594634)

in connection with the acquisition of FRAMLINGTON GROUP plc

Application has been made to the Council of The Stock Exchange for the whole of the above Stock to be edmitted to the Official List. Particulars of the Stock will be circulated by Extel Financial Limited and copies of such particulars may be

The Fifth Throgmorton Company PLC. Royal London House, 22-25 Finsbury Square, London EC2A 1DS

Charterhouse Bank Limited. 1 Paternoster Row, St. Paul's, London EC4M 7DH

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7TH JUNE 1988

For a full editorial synopsis and advertisement details, please contact:

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on 01-248-8000 ext 3365 or write to her at:

London EC4P 4BY.

Bracken House, 10 Cannon Street

FINANCIAL TIMES

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There is no European Traded Options table as yesterday was a public holiday in the Netherlands

BASE LENDING RATES

Adam & Company ____ AAB - Allied Arab Sit ___ Henry Andracher Bank Haneslien Bank Credit & Comm.

Banque Belge Ltd. Bardays Bank

Reschisark Bank PLC Beriloer Bank AG....... Brit 8k of Mid East

omme Bik il Exce Co-cocatine Bank Cyprus Popelar Bk Dumbar Basit PLC Descan Lawrie Equatorial Bank plc.... Exeter Trust Ltd...... Financial & Gen. Sec.... First National Bank Plc... Robert Fleming & Co. Robert Frazer & Plans..... Grotant
Grotan

UDT Mortgage Exp..... United Bit of Kuwait ... United Mizzahl Bank .. Westpac Bank Corp. Whitesway Laidan • Members of British Mercham Banking & Securities Houses Association. • 7 day deposits 3.50% Security 6.16% Top Ter 42.500+ at 3 matter action 7.25%, at all the \$10,000+ remains deposited. • Mortgage base rate. § Demand deposit. 3.00%. Mortgage 9.123% • 9.5%

Hat Bk. of Kewali

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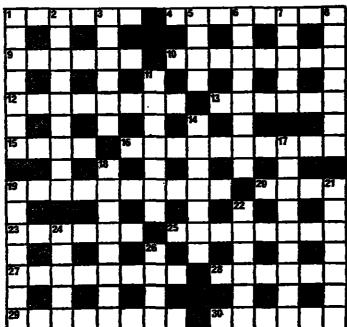
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FT CROSSWORD No.6,629 SET BY CINEPHILE
Operas could be seen at the diagonal lines of squares running through
those marked 11, 14 and 20 (7.5) and 18, 25 and 28 (6.6)



9 Officer of the day keeps gun in port (6)
10 Overflow: I have a sister to go out with (8)
12 Sort of oak for Irish actor? (4,4)
13 Escaped from 5, a deed that went wrong (6)
15 First diocese understood? (1,5)
16 Be a burden to deceive? (6,4)
19 Oriental tree on Italian promontory could give good evidence (10)
20 Ir's not good to be back (4)
23 Irishman churchy? That's inconsistent (6)
25 Sprays also work without love (6)
27 Past actors under a cloud? (8)

27 Past actors under a cloud? (8) 28 Lines in cubes for refrigerator

(3,3)
29 Unwarranted intrusion of father into lock (8)
30 Number gets wrong return in

game (6) DOWN

Dumplings go round pole, awfully chic (7)
 Intrude in troubled 10? I never!

7 One among cows may be caught (5) 8 Prize weapon shielding wrong-

8 Prize weapon smeaning wrongdoer (7)
11 Suicidal creature with joint
about 2,000 inches (7)
14 Nothing in list for cock (7)
17 Automatic return of first volume in dance (9)
18 Drink on top of pyjamas? (8)
19 Make unjustified use of adventure? (7)
21 Fewer letters from waterway
man (7)

man (7)
22 Get away with horse for turning in (2,4)
24 Article on compiler's topic (5)
26 River goddess (4)

Solution to Puzzle No.6,628

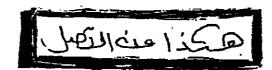
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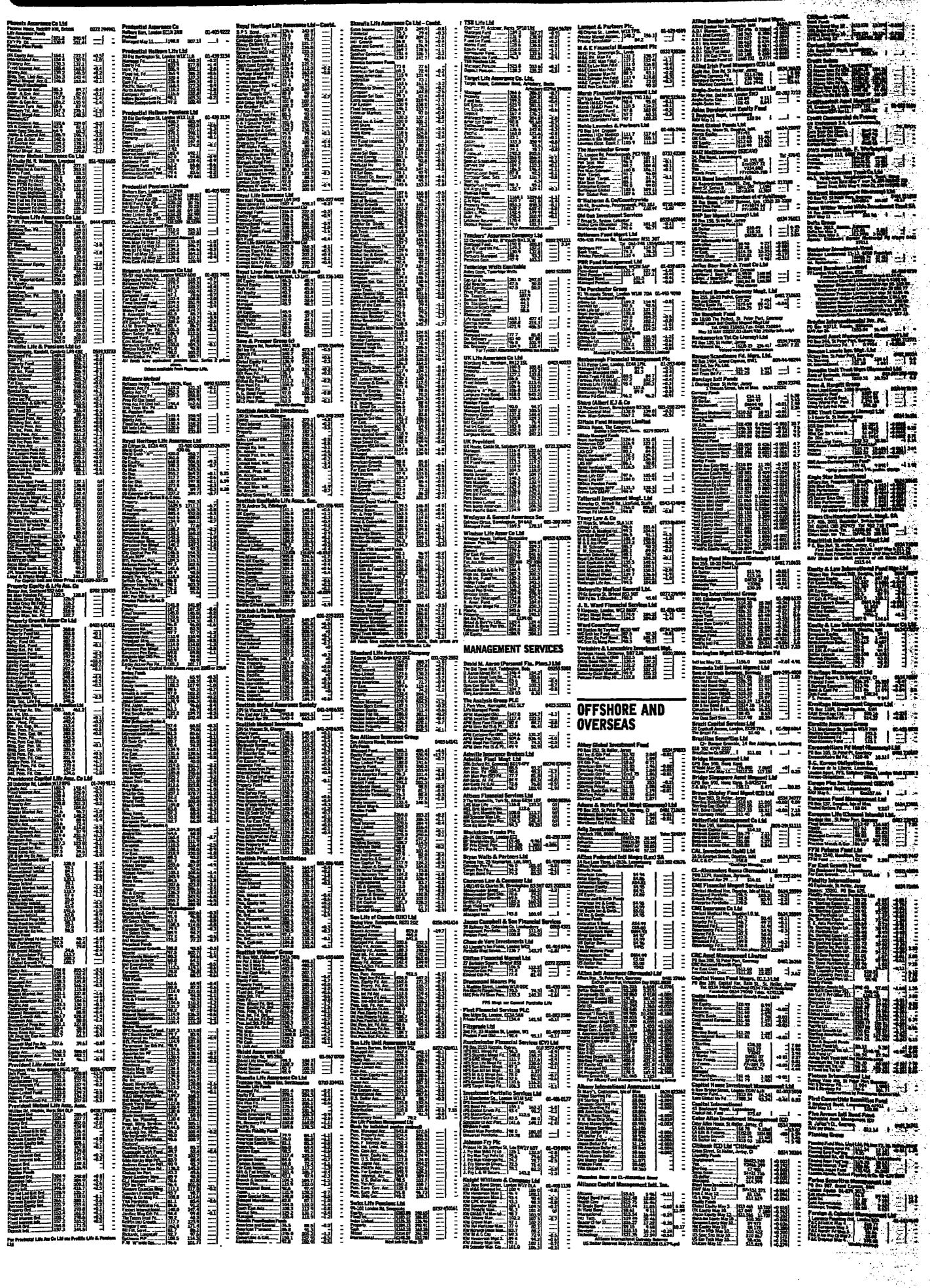
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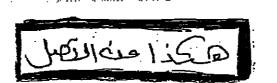


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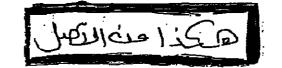
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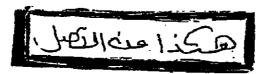
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A SENSE of relief spread through stock markets around the world yesterday after qualification of the UK Chancellor of the Exche quer's observations on international interest rates. Mr Nigel Lawson was reported as having said a coordinated effort on rate by West Germany, Japan and other nations "is certainly possi-ble" if US levels were raised. But the Wall Street Journal acknowledged yesterday the omissionof his qualifying remarks. Mr Law-son had added, "What I'm saying is that we do keep very closely in

lowed the global pattern and Lon-don sighed with relief again, sending the "Footsie" index up to near the best level of the day. It

finally regained 15.5 – some 40 per cent of Wednesday's loss – at 1772.3. Equity volume mea-

sured by the Seaq system con-tracted to 343.9m shares from

483.8m on Wednesday. UK Gilt-edged stocks again

moved narrowly awaiting the

outcome of yesterday's final round of the three-day US Treasury refunding programme. So far the auctions have been successful, particularly Tuesday's issue of short bonds, and the bond market has shown weil

bond market has shown resil-

Longer-dated Gilts eased ini-tially before support at the levels

restored quotations to their over

night positions. The US retail sales figures for April made little

impact but today's US producer

prices for the same month will be

watched more closely for any

sign of rising inflation.

of around 2 per cent.

But dealers and analysts said

Newman is forecasting fourth-

quarter profits of a record £70m

Flemings Research reaffirmed its

buy recommendation following

the two-day visit of analysts to

Burroughs Wellcome in the US.

Flemings say that Wellcome has

FT – ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

good for £200m in 1988-89.

North Carolina.

ience to rising rates for credit.

touch with each other. I wouldn't go further than that". Tokyo investors were the first to regain their nerve. The Nikkei average regained only 50 points or so but the rise flew in the face of wild forecasts of a sharp fall, possibly ranging to 500 points. A Japanese chartist theory of an impending collapse in Japanese stocks if the index closes below 27,300 today is causing anxiety not only in Tokyo but also other world centres

The UK market was somewhat cautious at the start with marketmakers unsure whether the previous session's sell-off had run its course. Events quickly proved ellers were giving way to fresh demand, although the early busi-ness appeared technical and the result of a squeeze on traders' short positions.

Institutional investors continued to withhold funds, remaining uncertain of the market's bealth. A fund manager commented: "It looks sound on the surface but it still has a soft belly". However, the lights on some of the recognised situation stocks began to

shine more brightly.

Specific sectors of the market also turned in above average performances with Properties claiming good support. This was aroused by the Bond Corporation of Australia deal with Imry Mer-chant which emphasised the increasing overseas interest in the UK commercial property mar-

Most quality issues improved during the session with the notable exception of recent stalwart Rowntree. James Capel, the leading agency broker which has been buying aggressively on behalf of Nestlé, stood back yesterday and the shares moved below the Nestle offer price of 890p cash per share plus the dividend payment of 101/2p. Turnover naturally contracted to a mere fraction of recent levels, totalling only 1.5m shares. Traders said the deepening shadow of a

Monopolies & Mergers Commis-

5 All stocks .

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125.87

119.88

120.19

9 Debentures & Loans _ 119.19 +0.04 | 119.15

+0.10 125.75

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Markets recover from fears over higher interest rates

sion referral was a drag on senti-ment and the shares closed 24 down at 885p. Wall Street at the opening foland index closes 15.5 up

	May.	May.	May.	May.	May.	May.	May.	May.	May.	Year	1988		State Co	replization
	12	11_	10	9	6	Ago	High	Law	High	Low				
Government Secs	89 67	89.83	89.83	89.89	89.76	92.92	91.43 (18/4)	86.97 (1371)	127.4 (9/1/35)	49.18 (3/1/75)				
Fixed Interest	98.18	97.65	97.57	97.20	97.25	98.05	98.31 (19/4)	94.14	105,4 (28/11/47)	50.53 G/1/75				
Ordinary 🛡 ,,	1417.6	1406.4	1435.8	1438.0	1440.1	1684.2	1478.7 (4/3)	1349.0 08/2)	1926.2 (16/7/87)	49.4 (26/6/40				
Gold Mines	196.1	197.3	198.2	198.5	201.7	420.8	312.5 (7/1)	196.1 (12/5)	734.7 (15/2/83)	43.5 (26/10/7)				
Ord. Div.Yield	4.61	4.64	4.53	4.52	4.51	3.41	S.E ACTIVITY							
Earnings Yld. %(full)	11.91	12.03	цл	11.67	11.67	8.20	ir	adices	May.11	May.10				
P/E Ratio (netXº) , SEAQ Bargains (Spm)		10.19 26,862	10.46 22,321	10.51 24,297	10.47 35,681	15.01 47,513	1789 171							
Equity Tornover (Em)	-	1224.68	1022.53	923.89	1727.61	1776.5	5-Day avera	ge						
Equity Bargains	-	27,134	26,494	30,393	39,526	61,468		Bargains		120.8 210.8				
Shares Traded (ml)	-	483.8	349.8	360.0	586.6	705.5		ales		2371.8				

Day's High 1418.8 Day's low 1407.3 Basis 100 Govt. Secs 15/10/26, Fixed int. 1928, Ordinary 1/7/36, Gold Mines 12/9/55, S E Activity 1974. * NH = 10.19.

1418.2

1415.5

1417.2

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001 Plessey took up the running in

1413.2

1415.7

1408.9

enhance profit margins.

Caradon, the building products 158p before closing a net 6 up at group, responded enthusiastically 157p on turnover much increased to the disclosure of a 95 per cent increase in annual profits to There was talk of a a possible \$20.7m coupled with the proposed acquisition of Everest, one of the best known brand names in the management buy-out of the semi-conductor business, as well as rumours of another bid materialising from GEC and specula-tion that STC had been behind UK home improvement market. the buying of the shares a couple of months ago, picking up a stake

Everest is being purchased from RTZ for £31.9m, and to help finance the deal Caradon intends to place 6.7m new shares at 280p with an open offer to existing much of the buying reflected an oversold position in the shares ahead of Plessey's preliminary shareholders. The shares rose 18 to 323p vesterday. Royal Insurance, strongly

figures, expected in two weeks bought over the past week or so time. Chase Manhattan's Brian in the run-up to the first-quarter figures, came out with acutely disappointing results which saw giving full-year earnings of the shares tumble 23 to 399p, £175m, and says prospects look after turnover of just short of 4m.

They immediately triggered eventually closed barely changed waves of heavy selling pressure at 421p.

The dismal figures from Royals capacity to produce up to 70 leading analysts. Previous figures the rest of the composite insurtonnes of the Aids drug Retrovir of around £400m for the year ance sector but it quickly rallied annually at the Grenville plant in were said to have been reduced after good first quarter results leading analysts. Previous figures the rest of the composite insur-

Combined with Dartford UK Pearl, the life assurance group. plant, this gives the group manuand rose 9 to 474p, after 478p, as £58.7m. General shares ended the facturing ability worth around \$500m per annum. On this basis they believe there is further it was confirmed that Larry session 5 up at 915p.

Adler's FAI Group had been back Commercial Union, despite scope for an increase, albeit modest, in the gross margin achieved stake from around the 6.46 per grading their current year fore-

the electronics sector with a on Retrovir. Cheaper sources of number of rumours circulating in raw materials may additionally the market. The shares touched enhance profit margins.

Cent level to 7.1 per cent, or casts, rose 6 to 351p after receiving a generally impressive Press on the first quarter numbers. RP followed Shell in releasing on the first quarter numbers.

rst quarter results bang in line Brokers gained ground across

tumbled during the early after 27. noon when news agencies Market-newcomer Serco, a reported that the bank had confacilities and project managefirmed it was to raise some \$200 ment company, touched 240p to £300m via a rights issue.

- widely predicted in the finan-Royals' profits - up 15 per cial Press many weeks ago -Wellcome moved up 7 to 484p cent at £55m - compared with would not take place until in a volume of 2.2m shares as estimates, already recently downgraded, of between £66m to £73m. thereafter rallied strongly and

> downgrading for the full year by cast a momentary shadow over were said to have been reduced after good first quarter results to the £320m level. after good first quarter results from General Accident. The latter came out with profits more moved back into the limelight than trebled up from £17m to

> into the market and increased its numerous leading brokers down-

1416.3

1415.8

Market-newcomer Serco, a

Grand Metropolitan recouped most of the previous day's losses as a number of analysts digested the interim figures and changed their forecasts for the full year from £550m to £570m. The shares closed 11 up at 495p with some

Other leading brewers fared 778p. A buy circular helped pro-**NEW HIGHS AND LOWS FOR 1988**

Optics

Boots (*215)

Harson (*130)

Tesco (*150)

FT-SE 1e50 Index 1700 (*1769) 1750 1850 1950 1950

first quarter results bang in line
with market expectations and BP
the board led by C.E.Heath, "old" settled unchanged on the where Warburg Securities were day at 265p after a turnover of strong buyers, and Sedgwick, 2.7m while the "new" were where SBCI Savory Milln, issued finally a fraction harder at 69%p a buy recommendation; the latas 2m shares moved through the ter's Julianne Jessup says Sedg-SEAQ system. Shell were little wick "looks to be coming to the changed at 1043p despite a numer end of a long period of underperber of "buy" recommendations on formance and poised for a rethe stock after the figures.

- rating." Sedgwick's first quarthe stock after the figures.

- rating." Sedgwick's first quarStandard Chartered shares ter figures are expected on May

before closing at 238p, compared Standard shares, then standing around the 422p mark, quickly dipped to around 407p before the realisation that the rights issue

AMERICANS (1) Amdah, CANADANS (1) Dan-bus Res., BREWERS (4) Macallan-Glenlivet, Macdonald Martin A, Young Brew A, Do. Non/ Yig, BULLDINGS (2) Conder Group, Faibrist, STORES (1) Stead & Simpson, ENGINEERING (3)

STONES (1) Steps & Simpson, ENGINEERING (2) Ash & Lecy, Desculate Bross, TACE, HOTELS (2) Aberdeen Steak House, Savoy A, BIDUSTRIALS (2) Assoc. Energy, Relyon, BISURANCE (2) Steel Burrill, Sun Life, New SPAPERS (1) Haynes Publishing, PAPERS (3) Printech Intil., Sterling Publishing, Watmoughs, PROPERTY (5) Bilton (P.), Co. Shan Base 6 (55), speniors

LONDON TRADED OPTIONS

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220 240 260

82 57

115 88 65

330 34 360 18 390 6

well on interest generated by rate and currency worries faded in Scottish and Newcastie - 7 better at 289p. Allied Lyons rose 5 while Bass put on 13 and Whitbread gained 7 to 309p.

Vaux Group rose sharply to 581p as yesterday's analysts' meeting revealed that Sir Ron Brierley had accumulated a 2 per cent stake in the company. Earlier in the day the interim pre-tax profits of £9.7m failed to impress the market.

Greene King acquired a 30 per cent stake in Rollerbury, an East Anglia-based private leisure company, but showed little reaction in the thanker of the state of the company of

Anglia-based private leisure company, but showed little reaction closing up 3 at 453p.

Housebuilders took a distinct turn for the better as interest rate fears gradually subsided. Business was not particularly heavy, but bear closing and the occasional bargain hunter resulted in gains of around 5.

Fairbriar, however, moved up 12 to 420p in belated response to the bumper results and the proposed one-for-one scrip issue.

Elsewhere, BPB picked up 6 to market with the shares improvence ing 9 to 237p in a volume of around 2.7m. Pre-tax profits at the half-way mark came out at the half-way mark came ou

Elsewhere, BPB picked up 6 to Low and Bonar which improved 273p after recent weakness on 4 to 258p, but CCF dipped 19 to plasterboard competition worries. 158p following the annual meet-Persistent small speculative ing at which the chairman demand left Ruberoid 3 to the revealed significantly lower prospood at 161p.

The property is in the first half of the year.

ICI failed to join in the recov-Imry Merchant inspired the ery movement, closing unaltered property sector with a series of at 967p after fluctuating within joint ventures with Bond Corpo-

narrow limits.

Marks and Spencer made stake in hnry's St. George's Hospital development at Hyde Park the good Press given to the more closely attimed to the UK

Revived takeover speculation was responsible for boosting Northern Foods 4 to 298p. Tate & Lyle, after further extending the \$35 a share offer for US group Staley Continental, jumped 18 to

l (1) Graig Stypping, TEXTILES (1) Toray, STB (6) City of Oxford, Cons Venture, Lon. Hant, Do. Deld., Do. 7.75% 2000/05, Reneis-

S (1) ROUSTRIALS (5) BESIEF Triev

CALLS - PUTS | Aug | Nov | May | Aug | Nos | | 57 | 72 | 3 | 15 | 25 | | 40 | 53 | 8 | 25 | 35 | | 25 | 40 | 30 | 42 | 50 |

2 5 20

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18½ 13½

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May	Jun	Jul	Aug	May	Jun	Jul	Aug
122	130	143	153	6	16	24	33
70	68	103	115	12	27	37	48
35	56	73	87	28	47	58	70
13	30	45	60	58	73	85	95
1	7	15	23	148	153	158	154
1	3	8	15	197	205	207	210

212 114 114

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company 32 per cent of Stanhope at a cost of about £137m; the shares raced higher to 298p before closing 15 better at 292p.

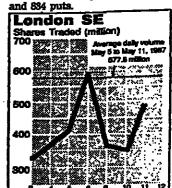
BAT Industries continued to attract attention as analysis predicted an acceleration of avente ninor gains in food retailers. International stocks staged a minor gains in food ret

dicted an acceleration of events in the US concerning the bid for Farmers and good first-quarter figures, due May 25. The shares closed at 408p, up 5.

A slight reduction in business

which gives the Canada-based

A sugnt reduction in ousness in traded options saw calls of 18,178 and puts of 13,680 give a grand total of 31,838 contracts. Plessey attracted 2,713 calls and 272 puts width Marke and Spen-272 puts while Marks and Spen-cer were the subject of 1,551 calls and 884 puts.



Traditional Options First dealines May 3

1988

 Last dealings May 13
 Last declarations July 8 For Settlement Aug 8

For rate indications see end of London Share Service A reasonable level of activity developed in the Traditional option market. Money was given for the call of Carless Capel mony Leisure, Astra Holdings, Biritish Petroleum partly-paid, preliminary figures.

Other firm features in stores included Storehouse, where revived bid speculation drove the shares up 6 to 259p. Woolworth put on 7 to 290p after the annual statement revealed the company's intention to seek permission from shareholders to buy up to 10 per cent of the company's shares. Revived takeover speculation Church and Co., Bestwood, Racal, Grand Metropolitan, Cad-bury Schweppes, North Kalgurli, C. Baynes, LASMO, Harris Queensway, Wembley, BOM Holdings and NMW Computers. ICH were dealt in for the put, while double options were arranged in British Petroleum

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

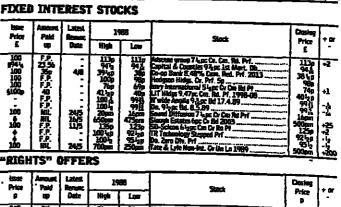


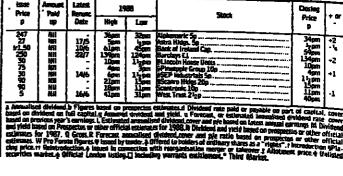
RISES AND FALLS YESTERDAY

Same 23 22 792 355 50 12 102 94 1,450

LONDON RECENT ISSUES

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		1 4	472	150		419	1 1	84.0	126	2.0	21.7
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9210	F.P.		243	213	AFreeman Gersey 10m	228	-2	-75	28	116	13.7
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EQUITY GROUPS			Thursday May 12 1988					Wed May 11	Tee May 10	Mon May 9	Yei ag (aper			
Fig	& SUB-Si tures in parenthes stocks per	es show	number (of Indi		uno i (Mar	ngs S	Gress Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1988 to date	ladez No.	Index No.	Index No.	fred Sic
1	CAPITAL GOODS	(207)		748		1.9 10		4.04	12.09	9.56	742.11			
3	Building Materia Contracting, Con	ais (29) . Kieuction		967	.16 +2	1.3 11. 1.6 10.		4.05 3.43	11.10 12.62	8.08 23.97	956.62 1533.91			
4	Electricals (12).	· · · · · · · · · · · · · · · ·		2004	.231 +1		.64	4.98	12.90	23.78	1995.92			
5	Electronics (32).			1586	.62 +1	l.6 10.		3.38	12.61	13.14	1562.36			2166
6	Mechanical Engi	ineering ((56)	387	.30 +1	1.7 10.		4.42	12.35	6.53	384.65		394.39	501
8	Metals and Meta	il Formiz	ng (7)	442	.16 +	15 10. 12 11.		3.99	11.76	3.99 4.86	448.13 268.40			
191	Motors (13) Other Industrial	Material		1246	;;;		.93 19	4.57 4.50	9.71 12.96	20.98	268.40 1238.76		279.36 1259.23	
ži	CONSUMER GRO	UP (187	7	1848	.50 +1		96	3.58	14.29	7.64	1838.89	1862.11	1064.53	
22	Brewers and Dist	illers (2)	1)	1086	.12 +1	1.7 10.	49	3.57	12.88	7.78	1867.52	1094.62	1096.20	1178
25	Food Manufactu	ring (23)		887	.59		.60	3.77	14.24	8.45	887.93			
6 27	Food Retailing ()	15) shold (12	 31	1988	.83 15		29	3.19	16.13	12.96	1971.82			
6	Health and House Leisure (30)	Simila / TS	۷	1273	26 4		96 17	2.71 3.72	17.01 15.64	10.89 11.92				
31 l	Packaging & Pag Publishing & Pri	per (17) .	····	491	.80 +6		25	3.90	14.27	5.79	487.24			
12	Publishing & Pri	Inting (16	6)	3384	.86 +		35	4.48	15.10	43.53	3275.33		3382.11	3747
ㅂ	Stores (35)			806	.92 +1	L1 10.		3.94	13.25	2.36	798.39			
55 10	Stores (35) Textiles (18) OTHER GROUPS	(03)		371 850	22 T.).9 11. .0 10.		4.17 4.37	10.19 11.31	4.92 8.67	586.41 850,94			
ĭ	Agencies (19)			1113	.99 +		15	2.38	17.76	9.79	1999.51			
2	Chemicals (20) . Conglomerates (2			987	.02 +0	1.4 12.		4.92	18.09	21.27	983.34			
13	Conglomerates ()	14)		1157	.50 +	14 10.		4.53	11.27	9.47	1152.53			1322
15	Shipping and Tra	insport ()	12)	1879	.82 +1	.0 16.		4.52	13.10	21.37	1869.71		1896.14	
7 8	Telephone Netwo Miscellaneous (2					.4 11. 3 11.		4.37 4.54	11.65	9.00	929.14		952.82	
9	INDUSTRIAL GR	INTER CAR	17)	020	46 4		85)	3.92	9.52 12.74	15.94 8.79	1096.92 928.58	1129.49 941.32	1128.94 945.09	1399 1131
ì	Oil & Gas (13)		<u> </u>	1902	37		-, -	5.65	12.68	38.80	1888.43		1825.80	2118
9	500 SHARE IND	EX (500))	1007	40 +4		97	4.17	12.64	11.32		1016.91	1619.49	1215
,1	FINANCIAL GRO	UP (122	2)	668	34 +1	.0 -	~	4.96		12.54	661.95		672.68	737
2	Banks (8)		********	626	.24) +6	1.8 22.	74	6.50	5.90	18.03	621.57	629.95		
5	Insurance (Life) (8)(8		985	.37[+]	<u> </u>	ı	5.89	- 1	24.97	968.94	968.68	987.58	
7	Insurance (Compo	05KE11/1		528	.95 -U).6 - !.2 10.	EL	5.60 6.86	12.28	11.15 26.67	531.44		5355	
3	Insurance (Groke Merchant Banks Property (51)	(11)		341	.93 +1	<u>-</u> اق	ات~	4.21	12.20	3.81	905.58 337.50		917.02 343.15	384
9	Property (511			1165	.81 +1	.9 4.	83	2.66	26.66	5.18	1143.96		1168.89	
0	Other Financial (30)		378	.04 +0	1.2 18.	62	4.62	11.86	4.95	377.32	384.54	384.92	476
1	Other Financial (Investment Trust Mining Finance (Overseas Traders	s (B1)	•••••	858	.97 +6	l.6 - l.9 10.		3.01	. -	5.94	854.11	871.27	874.29	1909
1	Overseas Traders	(8)		1021	94 H	l.9 10. l.4 18.		3.95 5.41	11.13 11.17	\$.12 29.39	471.65 1817.71	480.83 1037.31	471.24 1943.25	597. 1849
9	ALL-SHARE IND	EX (713)	914	70 +6	.8 -	-	4.26		11.39	987.13	925.83	927.48	1696
┪				Inde	n Day			Day's	May	May	May	Nag-	Wag	Ye
ᆛ		or mar	· -	No				Low	11	10	9	6	5	<u> </u>
FT-SE 100 SHARE INDEX 4										1792-6	1794,9	1 1201.1	1789.5	218
		FIXED INTEREST							IGE GRO IPTION	SS Yields		Thu May 12	Wed May	Yes
	FD	KED 1	NTE	REST							- 1	12	ii	Cappe
	PRICE	Thu	Day's	Wed	xd adj.	xd ad).	<u> </u>		Gaveration		-		11	Cappr
						1988	1 2	Low		5 years		8.84	8.83	(appr
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	PRICE INDICES British Government 5 years	Thu May 12	Day's change	Wed May 11	xd adj. today	1988 to date 4.39	23456	Low Coupon Medius Coupon	5 73 5	5 years 15 years 25 years 5 years 15 years 25 years		8.84 9.18 9.06	8.83 9.19 9.05 9.27 9.41	7. 8. 8. 8.
1 2	PRICE INDICÉS British Garernment	Thu May 12 122.98	Day's change	Wed May 11 122.98 140.38	xd adj. today	1988 to date	345	Low Coupon Medius Coupon High	5 7 5	5 years 15 years 25 years 5 years 15 years		8.84 9.18 9.06 9.27 9.41	8.83 9.19 9.05 9.27	7. 8. 8.

92.32 -0.21 92.51 2.75 #Opening index 1759.9; 10 am 1766.4; 11 am 1769.6; Noos 1771.5; 1 pm 1772.4; 2 pm 1768.2; 3 pm 1769.3; 3.30 pm 1769.1; 4 pm 1769.2

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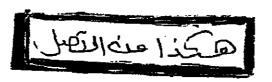
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STOCKS

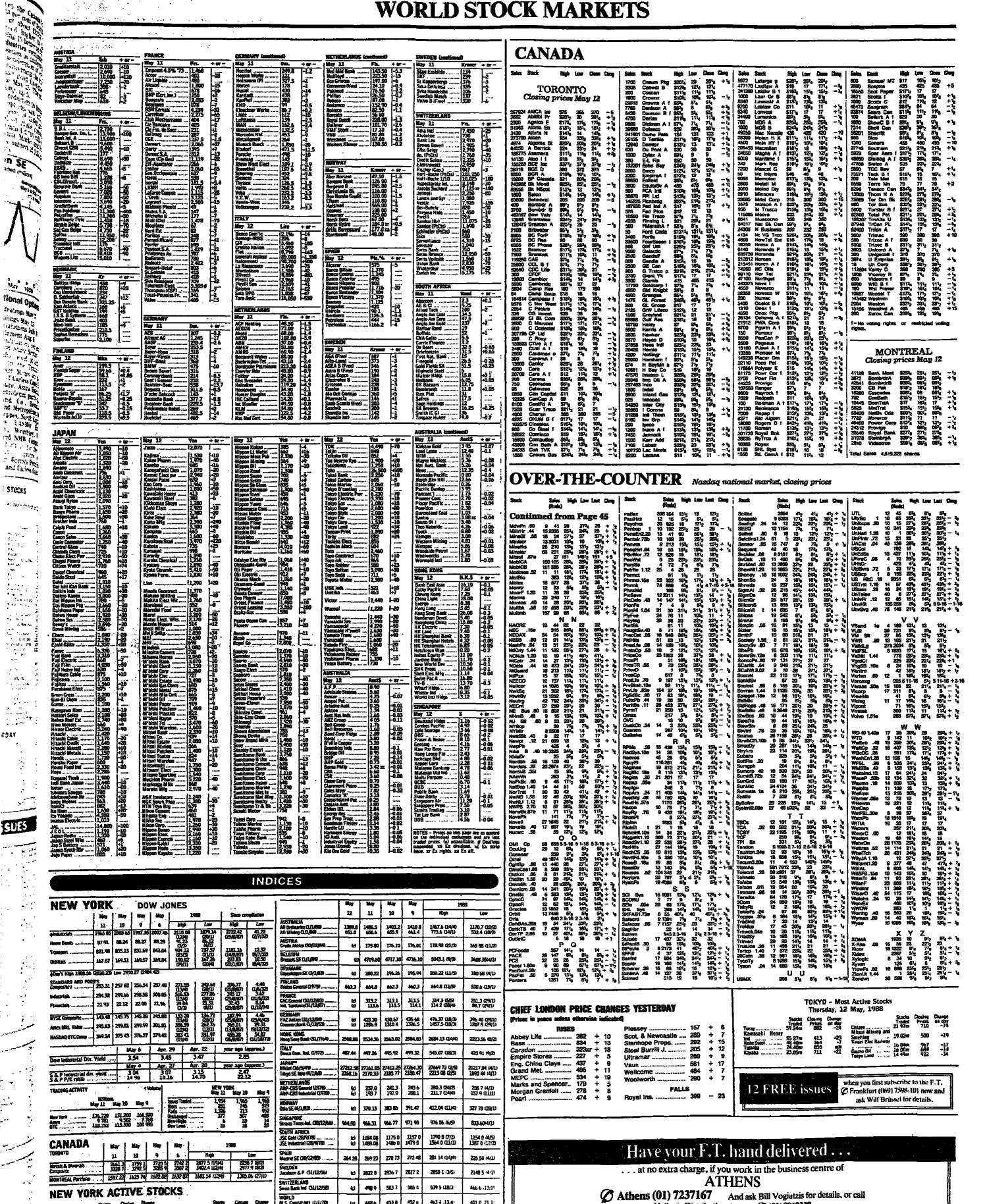
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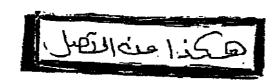
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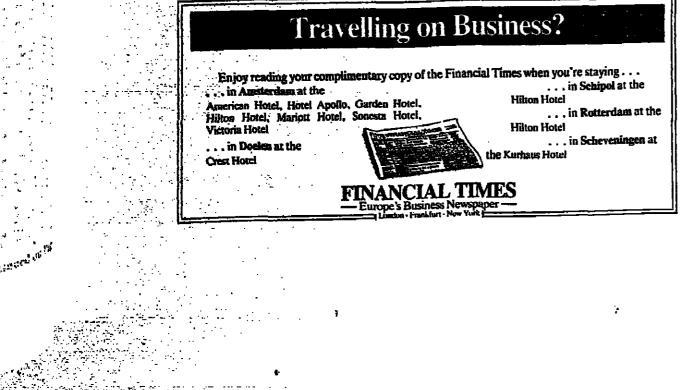
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للحكذا منه النصل



NYSE COMPOSITE CLOSING PRICES	AMEX COMPOSITE CLOSING PRICES
100 6 9	



to \$13 on news that a company owned by investor Mr Marvin

Davis was considering making a \$15 a share offer for the company.

and engineering company, rose \$% to \$32% after news it has

ness, in a stock swap. Gearhart fell \$\frac{1}{2}\$ to \$\frac{1}{2}\$. Nynex added \$\frac{1}{2}\$ to \$82\frac{1}{2}\$. The company said that it expected

Canada

7.81 to 3,220.87 as declines out-

Singapore

CONCERN over possible global

interest rate rises took prices lower in early dealings but losses were pared by later bargain-hunting and the Straits Times Industrial

trial index eased 1.81 to 964.5. Selected blue chips bore the

brunt of the selling, although

price changes were generally

S\$2.78 with about 1m shares

traded and NOL ended unchanged at \$\$1.43 on volume of

Halliburton, the oil services

AMERICA

Equities stabilise in modest trading Japan's big-spenders boost

Wall Street

THE EQUITY market stabilised yesterday after Wednesday's sharp fall caused by concern that international interest rates could be heading higher, writes Janes Bush in New York.

The Dow Jones Industrial Average closed 2.15 points higher at 1,968, having given up most of a 12-point morning gain. Volume was modest with just under 144m

shares changing hands. US Treasury bonds fluctuated in a narrow range as dealers spent the day preoccupied with the last leg of the Treasury's quarterly refunding, a sale of 30-

year long bonds.

By late trading, short maturities stood up to h point higher while the Treasury's benchmark long bond was quoted to point

lower to yield 9.211 per cent.
A lot of the bad news on interest rates is now out of the way and the sense of panic seemed to have eased. US banks have cent and financial markets have had some time to reconsider their reaction to reported remarks by Mr Nigel Lawson, the UK Chancellor of the Exchequer, about a possible co-ordinated rise in interest rates under some cir-

In Tokyo, a senior unnamed official at the Ministry of Finance was reported as suggesting that Japan would not follow the US in pushing up interest rates.

NYSE Volume Daily (million)

Reserve policy and increases in interest rates overseas, a sense emerged yesterday that the tight-ening had been completed.

Mr Wayne Angell, Fed Governor, appeared to hint that the Fed might not tighten monetary policy further as some market observers seemed to be expecting. He said: "Those that are certain of what the Federal Reserve's next step might be, might very well be mistaken."

The only major piece of eco-nomic news yesterday was the release of figures for retail sales in April which, on balance, provided more bad news for the bond market. While April's retail sales fell 0.6 per cent compared with forecasts of an unchanged

figure, the increase in March was revised up to 1.7 per cent from 0.8 per cent, leading some analysts to start raising their forecasts for stock for \$101m. first quarter gross national prod-

The bond market has derived some cheer from the relatively healthy level of demand seen in healthy level of demand seen in the three-year note auction on Tuesday and the 10-year bond sale on Wednesday. Japanese interest appeared to have been quite heavy earlier in the week and again seemed healthy at yes-terday's long bond sale, on which the average yield was 9.17 per

April 1988 May

At this stage, it is difficult to tell how much paper will be left in the hands of dealers and how much gloomy talk about a further tightening of Federal

Reserve rollicy and increases in the hands of dealers and how much heavy Japanese buying the represented long-term investigation. ment rather than hopes of a

released. If these prove disappointing, buyers of bonds in the ite index, which had rised about auctions could dump them on the 7 points in earlier trading, lost households now

On the equity market, West numbered advances by 410 to 347 on turnover of 26.3m shares.

Among the most active stocks, turer of household products and clothing, rose \$1 to \$31% on rumours that Mr William Farley. head of Fruit of the Loom, might be interested in buying the company.

Among the most active stocks, Laidlaw Transportation warrants dropped 19 cents to 40 cents. Canadian Pacific slipped C\$% to be interested in buying the company.

Base metal issues were mixed. Resorts International dropped 81% to \$29% after its chairman, Noranda dropped C\$% to C\$21 Mr Donald Trump, had called a while Cominco firmed C\$% to halt to discussions with Mr Merv C\$18%.

C\$10%.

Alison Maitland on the spin-offs of rising affluence

leisure and retail stocks

each and sar frames class is stock for \$101m.

Lorimar-Telepictures added \$% as FASHIONABLE young Westto \$13 on news that a company close to the floor on a futon, their owned by investor Mr Marvin
Towis was considering making a terparts are rolling up their futons and climbing into occiden-

tal-style beds.

It is just one sign of the far-reaching changes in Japanese lifestyle that are being fashioned agreed to acquire Gearhart Indus-tries, also in the oil services busiby growing affluence, soaring consumer spending and a shift of

The spin-offs are plentiful for earnings this year to better last the stock market, where the year's net income of \$1.3bn or growing preference for western \$6.26 a share France Bed, Japan's largest bed

short-term trading gain.

The bond market could be vulnerable next Tuesday when the next US trade figures are was eroded as Toronto shares record and 114 per cent above its

About 46 per cent of Japanese households now have beds rather than the traditional futon bedding. But the proportion rises to 66 per cent in the top income bracket and falls to 30 per cent in the lowest, which leads Baring Securities, the UK firm, to conclude that increasing wealth is likely to mean more bed sales. Indeed, France Bed's sales have risen 21 per cent over the past

A combination of higher wages, lower interest rates, tax cuts and a strong yen are encouraging the Japanese to spend more and enjoy themselves more – and retail and leisure stocks have benefited as investors anticipate rising earnings.

Despite last October's crash, the resilient Japanese market managed a 2 per cent rise in yen terms in the year to the end of April, according to figures from UK brokers County NatWest

Over the same period, however, the household durables sector surged 62 per cent, entertainment leisure jumped 49 per cent and strong advertising revenue boosted media shares 45 per cent.

Electronics stocks rose 42 per cent, cars 41 per cent - driving ranks high on the list of pre-Sime Darby lost 1 cent to ferred leisure activities - and retailers 34 per cent. Some individual shares have

performed even more strikingly. lagasakiya, a chain store opera-Ajinomoto, which generally tor which sells bedding, housesees little trade, led the declines, hold appliances and clothing - falling 97 cents to S\$1.88.

I STILL DON'T SEE WHY WE NEEDED A DISHWASHER



including the much-prized kimono - soared 240 per cent

Seiyu, a supermarket group which also runs ticket and travel agent services, rose 90 per cent. Takashimaya, the luxury department store, has been one of the strongest retail stocks this year, climbing 61 per cent to the end of April against the market's 27 per cent rise in the first four months. Baring Securities thinks the

consumer spending theme poten-tially has a long way to run. Stratospheric property prices have put home ownership out of the reach of many Japanese, who are spending their money on smaller – often luxury and imported – items instead. They save and save, but there

comes a point where they can't go on," says Miss Patricia Anderson, an assistant director and Japan specialist at Baring. "Peo-ple have too much money for little things and too little for big things.'

So when it comes to leisure stocks, the Japanese are sure they are on to a good bet.

There was another reason for the spring in France Bed's share price earlier this year: better distribution may render some of the company's factories redundant, and investors have been speculating that the sites could be developed for lucrative leisure resorts. With greater disposable income and an ageing population with more time on its hands, enter-tainment and relaxation is becoming big business. Next Feb-

the way for shorter hours and longer holidays for millions of

Companies like Korakuen have seen their shares soor this year.

above its 1967 peak.

Yomiuri Land, which leases times stayed at low levels.

The general share index fell general share index fell horse and motorcycle race tracks and operates golf links, has climbed 52 per cent this year, vious day's report of possible co-while Yamaha Motor, which is diversifying away from motor-cycles into leisure boats, is currently around 18 per cent above marked down somewhat in afterrently around 18 per cent above marked down somewhat in after-

eager to diversify.

But the leaders in this highgrowth area are the railway companies, according to Nomura Securities. Japanese railways own large tracts of land along

their lines, which they are devel-oping for leisure purposes. oping for leisure purposes.

Tokyu Corp, up a solid 36 per cent this year, has a hotel chain, property interests and a tourism division and it owns shops above its railway stations to catch arriving travellers.

Seibu Railway, up 37 per cent, operates restaurants and golf clubs along its lines, and has its own professional baseball team, the Seibu Lions. Keisei Electric Railway has

jumped more than 60 per cent this year, helped by a strong per-formance by Tokyo Disneyland, part of Oriental Land, in which Keisei is a major shareholder.

Often the interest is highly speculative. Nippon Dream Kanko is devoted to leisure services, with subsidiaries in theatre, restaurants and amuseu parks. Its share price, quoted on the Osaka exchange, has more than doubled this year to a high of Y1,720, helped by reports that Daiei, Japan's largest supermar-ket chain operator, would take a stake in it.

Investors are clearly hoping becoming big business. Next February, financial institutions will help them sleep peacefully on stop working on Saturdays and move to a five-day week, paving beds? **EUROPE**

Madrid and Milan fall on interest rate fears

Companies like Kotakuen have seen their shares soer this year.
An urban amusement operator, equities in Milan and Madrid yes-Kotakuen owns the "Big Egg" tarday, and Helsinki also ended all-weather stadium where pop star Mick Jagger performed earlier this year. Speculative interest down the share price to a high of Y4,480 in February, 35 per cent above its 1967 peak.

Yemping Land which leaves

Interest in resort development, LONDON regained its nerve after real or rumoured, has focused a cautious start following attention on stocks in such Wednesday's sharp fall, and the unlikely industries as shipbuild-FT-SE 100 index added 15.5 to ing, steal, heavy machinery and 1,772.3. But institutional invesgeneral trading, where many tors continued to hold back amid companies own idle land and are some uncertainty and turnover contracted to 344m shares.

hours trading on Wednesday "The bourse traditionally reacts late, but the news is quite pertinent because they are desperate not to have to increase interest rates," said one analyst. Domes-tic rates have been falling gradu-

ally over the past few months. Early panic yesterday hit car stocks, among the first to be priced in the bourse session, and Motor Iberica lost 30 percentage points to 255 per cent of par. The mood improved slightly, but utilities, which tend to have high borrowings, still suffered.

Electrical utility Iberduero lost 3.5 points to 126.3. Banks were well-supported. and Banesto and Banco Central closed unchanged - at 1,125 and 1,245 - after Banesto denied they

were in merger talks.

MILAN suffered sharp falls in low volume, hit by interest rate worries and concern about possible tax measures to help cut the budget deficit. The MIB index shed 20, or 2 per cent, to 1,007. Bourse authorities delayed opening fixings for Cir and sub-sidiaries Buitoni and Perugina pending futher information on Cir's plans to absorb the two. Cir

Perugina up L120 at L4,060. **HELSINKI** finished lower in dull trading, with the Unites all share index off 1.5 at 663.3.

later closed down L185 at L5,460, Bultoni down L800 at L8,410 and

Nikkei recovers from early decline

Tokyo

AFTER a weak start, small-lot buying helped Tokyo turn higher again yesterday as the bond market made a late rally and broker-age houses moved in to pick up stock, writes Shigeo Nishiwaki of

The Nikkei average ended 51.53 points higher at 27,212.58. The high for the day was 27,275.38 against a low of 26,928.82. Volume fell back slightly to 899m shares from Wednesday's 1.17bn and declines led advances by 482 to 430, with 152 issues unchanged.

The market opened sharply lower, dampened by drops in New York and London following iments made on interest rates by the British Chancellor of the Exchequer, Mr Nigel Lawson. Increases in the prime lending rate by major US banks were another discouraging factor.

In mid-morning, however, small-lot selling ceased and major brokerage house dealers stepped up buying, sending the

Investors nevertheless remained concerned over a possible rekindling of inflation and higher interest rates in the US. Accordingly, they sought issues with specific incentives and priced at under Y1,000 to earn short-term capital gains.

Textile group Toray, reporting good business results, topped the active list with 59.24m shares changing hands. The Issue ended Y24 higher at Y882 after opening Y4 lower.

Kawasaki Heavy Industries and Kobe Steel gained Y23 and Y7 to Y413 and Y364 respectively. Kawasaki was the second busiest issue with 55.89m shares traded and Kobe third with 48.40m

Nonferrous metals were sought on speculation that internation commodity prices would soar. Mitsui Mining and Smelting advanced Y19 to Y500 and Pacific Metals Y40 to Y750.

Some issues drew buying on rumours of purchases by specula-tors. Kayaba industry added Y21

NATIONAL AND PEGIONAL MARKETS

Figures in parentheses show number of stocks per grouping

Australia (88)...

west Germany (99 Hong Kong (46) ... Italy (102) Japan (456) Malaysia (36) Netherland (38) New Zealand (22) ... Norway (75)

Norway (25) Singapore (26) South Africa (60) .

Europe (1013)

Pacific Basin (674)

Euro-Pacific (1687)

North America (706)

Europe Ex. UK (684)

Pacific Ex. US (1886)

World Ex. UK (2138)

World Ex. UK (2138)

USA (581) ..

Austria (16) Belgium (65) Canada (125) Denmark (39) Finland (25) Dollar Index

118.06 90.82 127.15 118.57 120.41 129.30 88.68 72.44 99.81 122.93 172.62 129.88 133.36 104.59 76.87 113.90 110.84 122.99 146.62 120.76 76.29 133.46

107.04 167.64 143.40 104.23 87.50 107.53 142.34 126.23 127.35 105.58

127.33

Change %

+0.1 -0.4 -0.2 +0.2 -0.5 -1.5 -0.2 -0.1 +0.1

-Q.1

93.26 94.70 101.70 69.75 56.98 78.50 96.03 57.60 135.77 102.15 104.89 89.58 87.18 96.73 115.32 60.00 109.06 81.34

84.19 131.85 112.79 81.98 68.82 84.58 111.95 99.28 100.16 83.04

100.14

Y240 to Y2,390. Kelsei Electric Railway and

Hitachi Seiki, which have plans to make use of their idle land, performed strongly, closing Y17 and Y70 higher at Y967 and

Industries Y2 to Y698. Nippon Steel dipped Y6 in early trading, but ended Y1 higher at Y459. High-technology stocks were Y1,080. But Kinki Nippon Rail-mixed Matsushita Electric Indus- way closed Y70 higher at Y1,220. trial declined Y20 to Y2,650, while NEC finished Y10 higher at

Y4 to Y385 and Mitsubishi Heavy

Citizen Watch surged Y74 to Y710, bolstered by strong demand for factory automation equip-

Bond prices moved erratically on speculation over interest rate and bargain-hunters appeare

The yield on the benchmark 5.0 per cent government bond, to 4.790 per cent in early trading from 4.725 per cent on Wednesday, affected by selling triggered the elumning hand tradical tradical from the selling triggered to the selling triggered maturing in December 1997, rose by slumping bond markets cents lower at HK\$11.70.

In properties, Cheung rate hikes by US banks.

Later, however, some dealers repurchased the benchmark issue HK\$7.40. and concern over higher interest require Japan and the US to raise demand.

Osaka Securities Exchange prices closed lower for the sixth

Hong Kong

THE SHARP overnight fall on Wall Street pushed share prices down, although they ended off their lows after Tokyo recovered The Hang Seng index lost 25.48 to 2,508.88 on turnover worth

In properties, Cheung Kong shed 10 cents to HK\$7.25, Sun

Hung Kai 10 cents to HK\$10.60 and Hongkong Land 10 cents to

Against the trend, Cathay rates faded following a remark Pacific rose 5 cents to HK\$7.60 from a Bank of Japan official that and Green Island Cement added the present situation did not 10 cents to HK\$15 on strong

Mr Alan Wills of Hendry

Hay Mcintosh said Equiti-corp's move was "a comment

on our capital and equity mar-kets" by a company that had outgrown New Zealand. Mr Tim Snedden of Buttle Wilson said the market was

cautious about the restructur-ing but he felt it would eventu-

ally be seen as positive for

WEDNESDAY MAY 11 1988

Sterling Index

94.58 71.25 99.19 93.34 94.73 69.74 56.97 95.88 134.04 105.35 82.26 60.90 97.00 117.38 97.00 117.38 98.85 87.49 97.00 117.38 98.85 87.49 97.00 117.38 98.85 87.49 97.00 88.85 87.49 97.00

84.02 132.21 112.93 81.69 69.10 85.78 112.09 99.34 100.13 82.86

Currency Index

103.57 79.07 110.06 105.79 105.75 109.29 79.22 63.23 101.30 108.65 69.77 136.01 129.51 129.51 102.81 105.26 60.00 105.26 60.00 105.36 105.26 60.00 105.36

89.25 133.29 115.81 103.32 77.37 98.43 115.21 111.38 111.29 98.07

NZ shares show resilience NEW ZEALAND shares eased But brokers said the moves were neutral for the market as a whole. yesterday after the sharp falls in London and New York on Wednesday, but brokers expressed satisfaction at the market's resilience. AP-DJ The Barclays Index dipped 1 r cent, or 18.77 points, to 1.919.79.

FT – ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Currence Index

79.07 110.06 105.74

105.75 108.46 79.22 63.23 100.14 108.23 68.37 135.58 128.93 333.17 333.97 102.39 79.08 124.13 105.26 66.00 109.06 109.06

89.41 132.82 115.59 103.57 77.03 97.37 114.99 111.22 111.23 98.24

111.01

Div. Yield

4.31 2.65 4.19 2.74 1.95 4.27 2.76 2.53 2.516 5.54 2.59 3.26 2.59 3.76

3.93 0.71 1.68 3.72 3.48 4.33 1.76 2.16 2.36 3.84

Dollar Index

90.69 126.25 118.81

120.65 130.29 88.76 72.51 101.01 122.80 173.17 130.39 104.70 77.52 111.35 123.46 111.35 121.49.39 121.12 76.40 137.62

106.93 168.27 143.74

reports from Wellington.

There was some negative reaction to the decision by Equiticorp Holdings, the investment company, to shift its base to Hong Kong and undergo a major restructuring. Equiticorp fell 6 New Zea-

land cents to 76 cents and its subsidiary, Feltex, which is central to the reorganisation,

dropped 5 cents to NZ\$2.50.

to Y711 and Koito Manufacturing their discount rates. As a result, the yield on the benchmark issue slipped 4.700 per cent to end at

consecutive trading day. The 250issue OSE stock average ended 135.21 points down at 27,113.49, on Y1,070 respectively. issue OSE stock average ended But large-capital stocks stayed 135.21 points down at 27,113.49, on out of favour. Nippon Kokan fell an estimated volume of 119m shares, off 27m shares from the previous day.

Mori Selki shed Y50 to Y2,540

and Kobe Electric Railway Y60 to

Australia

TRADING followed a similar pat tern to that of Hong Kong and Singapore, with share prices fall-HK\$871m against HK\$816m on ing heavily in early trading before recovering on bargain-hunting to end down, but off the

day's lows. The All Ordinaries index finished 17.5 lower at 1,389 in moderate trading.

Banks remained active in advance of their results which are due next week. ANZ lost 11 cents to A\$4.05, Westpac 8 cents to A\$5.86 and NAB 4 cents to

News Corp fell 40 cents to A\$12.35 before the release of its third quarter results, and BTR Nylex shed 20 cents to A\$7.20 after Wednesday's heavy trading. Retail and transport stocks also saw falls, with Coles Myer down 22 cents at A\$7.82 and TNT

off 6 cents at A\$4.26. Hudson Conway rose 3 cents to 95 cents after news of its UK public house deal with Elders. In turn, Elders saw good trading,

easing 6 cents to A\$2.84.

BZW Meares, a Sydney-based subsidiary of BZW of the UK, said local institutions were holding large amounts of cash and were thus prepared for any sud-den retreat by the market. At the same time, they were in no hurry to commit funds to equities, it

1968 Low

139.06 89.69 122.33

131.09 117.99

119.51 94.02 112.66 131.65 104.61 159.53 161.37 166.45 119.38 93.54 133.54 134.62 173.93 111.51 117.84 100.00 147.57 120.32

122.19 156.96 143.09 120.89 106.45 125.71 143.01 132.83 133.88 122.08

91.16 84.35 99.14 107.06 111.42 67.77 67.78 84.90 104.69 133.61 107.83 90.07 95.22 96.55 97.99 118.16 130.73 76.72 76.22 123.09 99.19

97.01 130.81 120.36 99.78 80.27 87.51 120.26 111.77 113.26 100.00

111.06 | 130.92 | 113.37 | 134.14

122.50 98.18 139.89 125.49 125.36 90.19 80.79 105.83 123.91 17.27 133.24 176.90 110.66 79.15 132.23 114.93 124.75 86.75 141.18 110.51

110.71

172.26 147.53 111.28 92.81 111.90 146.49 130.28 130.96

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